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101ST CONGRESS
1st Session

SENATE

REPORT
101-128

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATION BILL, 1990

SEPTEMBER 13 (legislative day, SEPTEMBER 6), 1989.—Ordered to be printed

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Ms. MIKULSKI, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 2916]

The Committee on Appropriations to which was referred the bill (H.R. 2916) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1990, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

AMOUNT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

Amount of bill as recommended in House	$65,143,950,000
Amount of change by Committee	+2,031,096,978
Amount of bill as reported to Senate	67,175,046,978
Amount of appropriations to date, 1989	60,620,880,990
Amount of budget estimates, 1990	62,587,357,900
Over estimate for 1990	+4,587,689,078
Over appropriations for 1989	+6,554,165,988

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SUMMARY OF THE BILL

The Committee recommends new budget authority of $67,175,046,978 for the Departments of Veterans Affairs and Housing and Urban Development, the National Aeronautics and Space Administration, the Environmental Protection Agency, the National Science Foundation, and other agencies, commissions, boards, corporations, and offices. This amount is $4,587,689,078 above the budget request, $2,031,096,978 above the House allowance, and $6,554,165,988 more than the appropriation for fiscal year 1989.

The following table summarizes the amounts recommended in the bill in comparison with appropriations for fiscal year 1989 and budget estimates for fiscal year 1990:

SUMMARY OF ESTIMATES AND NEW BUDGET (OBLIGATIONAL) AUTHORITY IN BILL

Department or agency	Appropriations, 1989	Budget estimates, 1990	House bill	Committee recommendation	Senate bill compared with—		
					Appropriations, 1989	Budget estimates, 1990	House bill
American Battle Monuments Commission	$15,085,000	$14,507,000	$15,000,000	$14,507,000	−$578,000	.....	−$493,000
Cemeterial Expenses, Army	13,195,000	12,569,000	12,569,000	12,569,000	−626,000	.....	.....
Consumer Information Center	1,354,000	1,360,000	1,360,000	1,360,000	+6,000	.....	.....
Consumer Product Safety Commission	34,500,000	33,479,000	35,500,000	35,700,000	+1,200,000	+$2,200,000	+200,000
Council on Environmental Quality	850,000	861,000	861,000	1,500,000	+650,000	+639,000	+639,000
Court of Veterans Appeals	3,100,000	1,462,000	3,000,000	3,000,000	−100,000	+1,538,000	.....
Department of Housing and Urban Development	12,770,371,990	12,927,472,900	15,161,227,000	15,187,827,000	+2,417,455,010	+2,260,354,100	+26,600,000
Department of Veterans Affairs	29,344,886,000	28,425,715,000	29,527,005,000	29,154,759,978	−190,126,022	+729,044,978	−372,245,022
Environmental Protection Agency	5,155,125,000	4,883,000,000	5,422,117,000	5,628,373,000	+473,248,000	+745,373,000	+206,256,000
Federal Deposit Insurance Corporation	.....	.....	.....	[1] (1,800,000,000)	(1,800,000,000)	.....	.....
Federal Emergency Management Agency	633,712,000	816,273,000	648,928,000	655,198,000	+21,486,000	−161,075,000	+6,270,000
Federal Home Loan Bank Board [2]	(31,942,000)	(33,464,000)	.....	.....	−(31,942,000)	−(33,464,000)	.....
Interagency Council on the Homeless	1,100,000	1,200,000	1,200,000	1,100,000	.....	−100,000	−100,000
National Aeronautics and Space Administration	10,676,000,000	13,273,995,000	12,262,995,000	12,339,195,000	+1,663,195,000	−934,800,000	+76,200,000
National Credit Union Administration [3]	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	.....	.....	.....
National Institute of Building Sciences	.....	.....	500,000	.....	.....	.....	−500,000
National Science Foundation	1,922,500,000	2,149,022,000	1,999,000,000	[4] 2,063,600,000	+141,000,000	−85,422,000	+64,600,000
National Space Council	.....	563,000	1,200,000	900,000	+900,000	+337,000	−300,000
Neighborhood Reinvestment Corporation	19,494,000	14,581,000	21,260,000	27,260,000	+7,506,000	+12,419,000	+5,740,000
Office of Consumer Affairs	1,708,000	1,988,000	1,888,000	1,888,000	+180,000	−100,000	.....
Office of Science and Technology Policy	1,587,000	2,997,000	2,027,000	2,997,000	+1,410,000	.....	+970,000
Selective Service System	26,313,000	26,313,000	26,313,000	26,313,000	.....	.....	.....
Space shuttle activities, Air Force	.....	.....	.....	217,000,000	+217,000,000	+217,000,000	+217,000,000
Total	60,620,880,990	62,587,357,900	65,143,950,000	67,175,046,978	+6,554,165,988	+4,587,689,078	+2,031,096,978

[1] Current, indefinite appropriation for FSLIC resolution fund.
[2] Limitation on administrative expenses, corporate funds.
[3] Limitation on direct loans.
[4] Excludes $37,500,000 advance appropriation in Public Law 101–45.

HIGHLIGHTS

The Committee has recommended a number of significant adjustments to the administration's budget request and the House bill. The most significant are:

One, the Committee has recommended a space station budget of $1,850,000,000. This is $200,000,000 below the administration's request and $194,800,000 above the House bill level. The Committee is constrained to a level below the President's request because of the subcommittee's severe shortfall in its 302(b) allocation.

Two, the Committee has provided $11,514,546,000 for veterans medical care. This is $773,115,000 over the administration's request but $46,885,000 less than the House provided.

Three, the Committee has provided $1,575,000,000 for the Hazardous Substance Superfund Program, a decrease of $164,683,000 below the administration's budget request and an increase of $150,000,000 over the House allowance.

Four, the Committee has provided $2,050,000,000 for sewage treatment construction grants, an increase of $850,000,000 over the administration's request and $26,000,000 over the House-passed level.

Five, the Committee has provided a total of $15,187,827,000 for the Department of Housing and Urban Development, $2,260,354,100 above the administration's request and $26,600,000 above the House-passed bill.

The Committee recommends separate accounts for three programs that the House bill funds in the "Annual contributions for assisted housing" account. These three are section 8 contract renewals, public housing modernization, and the moderate rehabilitation single room occupancy [SRO] program. In addition, the Committee has created a new program area entitled homeless assistance that includes the five homeless programs within the Department of Housing and Urban Development. This structure provides a comprehensive view of how the Committee proposes allocating the full level of funding authorized by the Stewart B. McKinney Homeless Assistance Act

REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs that the Departments of Veterans Affairs and Housing and Urban Development and the agencies funded through this bill notify the chairman of the Com-

mittee prior to reprogramming of funds in excess of $250,000 between programs, activities, or elements. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be notified regarding reorganizations of offices, programs, or activities prior to the planned implementation of such reorganizations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

Appropriations, 1989	$15,412,936,000
Budget estimate, 1990	15,367,506,000
House allowance	15,367,506,000
Committee recommendation	15,367,506,000

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.

The Veterans' Benefits Improvement Act of 1988 (Public Law 100–687) increased both disability compensation for service-disabled veterans and dependency and indemnity compensation to surviving spouses and children by 4.1 percent, effective December 1, 1988, at a cost of $358,100,000 in 1989.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to nonservice connected disabilities which render them permanently and totally disabled. Veterans 65 years of age or older are considered permanently and totally disabled by law and are thus exempt from a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

The Veterans and Survivors' Pension Improvement Act of 1978 (Public Law 95–588) reformed the Pension Program and provided for automatic annual cost-of-living increases comparable to annual Social Security increases for those pensioners in the improved program and to parents receiving dependency and indemnity compensation. The increase for fiscal year 1989 was 4 percent.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $15,367,506,000, the same amount as the budget estimate and the House allowance. This will provide compensation payments at an average cost of $4,464 to approximately 2,514,800 service-connected disabled veter-

ans or their survivors, and will provide pension payments at an average cost of $3,572 to 1,116,600 nonservice-connected disabled veterans or their survivors. The estimated caseload and costs by program for 1989 and 1990 are as follows:

	1989	1990	Difference
Caseload:			
Compensation:			
Veterans	2,202,900	2,188,300	−14,600
Survivors	328,200	326,500	−1,700
(Clothing allowance)	(60,100)	(59,900)	(−200)
Pensions:			
Veterans	595,430	577,610	−17,820
Survivors	574,840	538,990	−35,850
Vocational training	(350)	(350)	
Burial benefits	122,000	121,800	−200
Funds:			
Compensation:			
Veterans	$8,501,084,000	$8,887,512,000	+$386,428,000
Survivors	2,158,534,000	2,314,727,000	+156,193,000
Pensions:			
Veterans	2,549,577,000	2,639,295,000	+89,718,000
Survivors	1,314,983,000	1,349,005,000	+34,022,000
Vocational training	640,000	700,000	+60,000
Burial benefits	139,879,000	151,612,000	+11,733,000
Other assistance	939,000	994,000	+55,000
Transfer to veterans insurance and indemnities	−4,250,000		+4,250,000
Transfer to readjustment benefits	−47,645,000		+47,645,000
Unobligated balance and other adjustments	22,433,000	23,661,000	+1,228,000
Total, appropriation	[1] 14,636,174,000	15,367,506,000	+731,332,000

[1] Included in this total is $701,481,000 in supplemental appropriations. Excludes $71,031,000 of 1989 appropriation used to liquidate fiscal year 1988 contract authority.

The administration has again proposed dividing the compensation and pensions appropriation into three separate accounts: compensation, pensions, and burial benefits and miscellaneous assistance. The Committee has again disapproved this proposal and recommends $15,367,506,000 in a single appropriation in fiscal year 1990.

The administration has also proposed a change in the form of the fiscal year 1990 language from an appropriation to liquidation of contract authority. The Committee concurs with the House in recommending the continuation of compensation and pension payments as an appropriation of budget authority.

READJUSTMENT BENEFITS

Appropriations, 1989	$667,457,000
Budget estimate, 1990	501,200,000
House allowance	434,100,000
Committee recommendation	501,200,000

PROGRAM DESCRIPTION

The readjustment benefits appropriation finances the education, and training of veterans and servicepersons whose service occurred at least in part, between February 1, 1955 and December 31, 1976 (post-Korean and Vietnam-era veterans). It also finances education-

al assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action. Public Laws 98–525 and 100–48 provide educational assistance to veterans whose initial entry on active duty takes place after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program (new GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation. Supplemental benefits are also provided to certain veterans. These benefits are funded through transfers from the Department of Defense. This law also provides education assistance to certain members of the Selected Reserve. Reservists' training is funded through transfers from the Department of Defense and Department of Transportation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $501,200,000 for readjustment benefits. This is the same as the budget estimate and an increase of $67,100,000 over the House allowance. This reflects the fact that the administration sent a budget amendment to the Congress subsequent to the passage of the House bill. The budget estimate increased by $67,100,000 due to a greater than anticipated number of trainees in all program areas.

The recommended amount is based on the following assumptions:

	1989	1990	Difference
Number of trainees:			
Education and training:			
Post-Korean conflict veterans and servicepersons	181,236	104,414	−76,822
Dependents	43,825	41,925	−1,900
All-Volunteer Force educational assistance:			
Veterans	21,900	89,600	+67,700
Reservists	117,100	117,400	+300
Special assistance to disabled veterans: Vocational rehabilitation	25,905	26,400	+495
Total	389,966	379,739	−10,227
Funds:			
Education and training:			
Post-Korean conflict veterans and servicepersons	$360,945,000	$66,848,000	−$294,097,000
Dependents	104,161,000	99,745,000	−4,416,000
All-Volunteer Force educational assistance:			
Veterans	29,166,000	170,119,000	+140,953,000
Reservists	105,000,000	105,300,000	+300,000
Special assistance to disabled veterans:			
Vocational rehabilitation	120,691,000	124,779,000	−4,088,000
Housing grants	15,279,000	14,951,000	−328,000
Automobiles and other conveyances	4,345,000	4,221,000	−124,000
Adaptive equipment	14,458,000	15,578,000	+1,120,000
Payment to contractors (debt collection)	215,000		−215,000
Payment to States	12,000,000	12,000,000	
Unobligated balances and other adjustments	112,115,000	−112,341,000	−226,000
Total appropriation	[1] 654,145,000	501,200,000	−152,945,000

[1] Included in this total is $22,212,000 in supplemental appropriations. Excludes $13,312,000 of 1989 appropriation used to liquidate fiscal year 1988 contract authority. Does not include transfer of $47,600,000 in fiscal year 1989.

The bill includes requested language allowing the expenditure of funds transferred from the Veterans Job Training Program for normal expenses associated with the readjustment benefits appropriation.

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 1989	$9,220,000
Budget estimate, 1990	13,940,000
House allowance	13,940,000
Committee recommendation	13,940,000

PROGRAM DESCRIPTION

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee has approved the budget estimate of $13,940,000 for veterans insurance and indemnities. This will cover the cost to various insurance funds for claims traceable to the extra hazards of service and death claims on policies under waiver of premiums while the insured is on active duty.

LOAN GUARANTY REVOLVING FUND

Appropriations, 1989	$778,100,000
Budget estimate, 1990	195,500,000
House allowance	453,000,000
Committee recommendation	313,500,000

PROGRAM DESCRIPTION

The loan guaranty revolving fund finances all operations of the loan guaranty program, except administrative expenses. The purpose of the VA home loan guaranty program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. Prior to 1985, financing needs were provided by transfer from the direct loan revolving fund. The continuing high rate of default has necessitated direct appropriations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $313,500,000 for the loan guaranty revolving fund. This amount is $139,500,000 less than the House allowance, and $118,000,000 more than the budget amendment of $195,500,000. This difference reflects the Department's revised budget estimate, which was not submitted in a formal budget amendment. The revised budget estimate reflects lower estimates of foreclosures and claims, but does not reflect the effect of the cost of Government funds regulation, as did the origi-

nal budget amendment. There is a court-ordered injunction against the issuance of this regulation. Therefore, the Committee provides an increase over the budget amendment by the estimated cost savings of that regulation.

The Committee notes that it has provided an additional $2,500,000 in the "General operating expenses" account to increase loan servicing activities. The Committee expects this will lower loan defaults and result in savings to the loan guaranty revolving fund.

DIRECT LOAN REVOLVING FUND

(LIMITATION ON DIRECT LOANS)

The revenues and receipts from direct loan operations make funds available for the extension of credit to severely disabled veterans for specially adapted housing and for current expenses, excluding administration expenses. In 1990, one direct loan in the amount of $33,000 is expected to be closed.

The Committee has approved the VA's request for a $1,000,000 limitation for specially adapted housing direct loans in 1990.

Veterans Health Service and Research Administration

MEDICAL CARE

Appropriations, 1989	$10,882,671,000
Budget estimate, 1990	10,741,431,000
House allowance	11,561,431,000
Committee recommendation	11,495,546,000

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 172 hospitals, 27 domiciliaries, 127 nursing homes, and 240 outpatient clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliary, and outpatient clinic facilities; contract hospitals; State home facilities, on a grant basis; contract community nursing homes; and through the hometown outpatient program on a fee basis. Hospital and outpatient care also is provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the VA [CHAMPVA]. The medical care appropriation also provides for training of medical residents and other personnel in health science fields to support the agency's and the Nation's health manpower demands.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $11,514,546,000 for VA medical care. This is $773,115,000 more than the administration's request, $46,885,000 less than the House allowance, and $631,875,000 more than the fiscal year 1989 appropriation.

The Committee concurs with the House increase of $514,847,000 and 8,526 FTE's to restore the hospital staffing level to 194,720. This increase will provide for an estimated total of 21,277,000 outpatient visits and 1,078,993 inpatient visits in fiscal year 1990. The Committee also concurs with the House addition of $1,000,000 for additional costs of contracting for medical personnel where direct hires are not possible due to Federal salary constraints.

The Committee recommends an additional appropriation of $75,000,000, in lieu of the House increase of $73,948,000 for the purchase of equipment. Because of funding shortfalls in recent years, funding appropriated for equipment purchases has repeatedly had to be diverted to pay for personnel and other immediate costs of direct-care services. The resultant lack of up-to-date and usable equipment is adversely affecting both the safety and quality of care furnished, as well as VA's ability to recruit qualified physicians and other health-care professionals.

The Committee recommends an additional appropriation of $82,752,000 for community nursing homes, in lieu of the House increase of $131,789,000.

The Committee concurs with the House increase of $61,516,000 for objects of expenses such as supplies and materials, other services, and utilities. Of this amount, $5,600,000 is to be spent to reduce the backlog of much-needed prosthetics appliances. During fiscal year 1989, the Committee learned that VA had incurred a $10,600,000 backlog in the procurement of prostheses, as a result of which many service-disabled veterans experienced lengthy delays in obtaining artificial limbs and other prosthetics appliances. To help address that need, the Fiscal Year 1989 Dire Emergency Supplemental Appropriations Act transferred $5,000,000 from the "Construction, minor projects" account to the "Medical care" account for the purchase of prosthetics appliances. The additional $5,600,000, together with appropriate programmatic emphasis on the needs of the disabled veterans involved, which the Committee directs that VA make, should enable VA to provide prostheses in a timely, efficient manner.

The Committee recommends an additional appropriation of $10,000,000 for homeless programs authorized by the McKinney Homeless Assistance Act.

The Committee recommends an increase of $10,000,000 for drug treatment and prevention activities for veterans. The Committee wishes to emphasize its commitment to the President's initiative on drugs. The Committee directs VA to expand its current efforts on drug prevention, and to consult with other Federal departments and agencies in formulating a strategy to prevent drug abuse, as well as on optimal treatment methods and models. The $10,000,000 increase to the approximately $80,000,000 requested for drug and alcohol abuse treatment and prevention activities is intended for these purposes as well as to aid in implementing the President's drug initiative. The Committee directs the VA to submit a report to the Committee on its progress in this area by March 1, 1990. The report should include estimates on the number of patients with drug- and alcohol-related dependencies which the VA has treated in 1989, as well as the Department's plan of action to improve drug treatment activities.

The Committee concurs with the House in providing $1,000,000 for an expanded alcohol outreach program and halfway house at Gallup, NM.

The Committee does not concur with the House addition of $5,900,000 for the two additional integrated hospital system sites.

The Committee has deleted language included in the House bill earmarking $7,220,000,000 for personnel compensation and benefits costs. Although the Committee supports the goal of a year-end employment level of 194,720, the Committee notes that this earmark will limit the Department's flexibility and may have adverse consequences.

The Committee is supportive of the House directive concerning medical regional and medical district staffing. The Committee reaffirms that the Department is not to increase the number of medical regional and medical district personnel in fiscal year 1990 above the current levels of 196 and 265, respectively, in order to avoid reductions in direct patient care staffing.

The Committee is aware of the enormous unmet treatment needs of Vietnam veterans suffering from post-traumatic stress disorder [PTSD]. A recently released report on Vietnam veterans readjustment found that nearly 500,000 veterans suffer from PTSD while another 350,000 exhibit some symptoms of PTSD. Moreover, only about 62 percent of these have ever been seen by a mental health professional. In the 12 months prior to the study, only about 22 percent had used some mental health service. These alarming statistics clearly show a vast, unmet treatment need among Vietnam veterans alone. Therefore, the Committee recommends an appropriation of $6,000,000 for PTSD treatment activities. Of that amount, $4,500,000 is for the establishment of 18 PTSD clinical treatment teams and $1,500,000 is for PTSD treatment-related activities, such as education, research, evaluation, and the National PTSD Center. These funds for PTSD treatment are in addition to the $5,000,000 PTSD treatment addon included in the fiscal year 1989 appropriation and annualized in the fiscal year 1990 request, and are intended for PTSD clinical treatment teams, PTSD inpatient units, and joint PTSD-substance abuse units. Not more than $500,000 may be spent for PTSD educational or research activities.

The Committee directs that of the new PTSD clinical treatment teams, one be established at the Togus, ME, VA Medical Center, one be established in the State of Hawaii, and one be established at the Phoenix VA Medical Center.

The Committee recommends an appropriation of $3,000,000 for the Mobile Clinic Pilot Program. This program is intended to furnish health care at up to eight geographic areas to eligible veterans who live at least 100 miles from the nearest VA medical facility. The Committee believes that this program has great potential to improve the VA's delivery of health care to veterans living in rural areas.

The Committee recognizes that the veteran population is aging rapidly; between 1980 and 1990 the number of veterans over the age of 65 will more than double to over 7.2 million. As a result, it is crucial that the Department adequately plan for the needs of this special population, particularly focusing on long-term care. To this end, the Committee directs the Department to prepare a report by

January 1, 1990, on how the VA intends to accommodate the health care needs of the aging veteran population.

The Committee is deeply concerned about the overall state of veterans health care and particularly about veterans who are transferred from the Clarksburg, WV, Medical Center to out-of-State VA medical facilities. The practice of transferring patients far from their own localities causes discontinuity of care, inconveniences for the patients and their families, and excessive delays in their receipt of medical care. In 1988 alone, at least 2,039 West Virginia veterans were sent to Pittsburgh outpatient clinics while another 308 veterans were hospitalized at out-of-State VA medical centers for services not available at the Clarksburg VAMC. In an effort to address this specific problem and to explore alternative health care options the Committee encourages the Department to conduct a demonstration project between the Clarksburg VAMC and Ruby Memorial Hospital, a state-of-the-art, tertiary care teaching hospital at West Virginia University. The West Virginia School of Medicine, which is affiliated with Ruby Memorial Hospital, has a dean's committee relationship with the Clarksburg VAMC, and this demonstration project would build upon that existing relationship.

The Committee again wishes to reiterate its concerns over two projects at the Martinsburg Medical Center. These projects, replacement of the laundry facility and the construction of extended care facilities, have experienced recurring delays during the course of the past few years. The Committee understands that the cost study conducted pursuant to the Office of Management and Budget circular A–76 has been completed and that the Martinsburg VA Medical Center laundry facility is to continue to be operated as a Government operation. Consequently, the Committee directs the Department of Veterans Affairs to redouble its efforts to plan and budget for a replacement laundry facility and to incorporate the necessary funds in the earliest President's budget so that the Congress may give early consideration to this high priority project. The Committee urges the VA to review the status of these projects and to accelerate their development at the earliest possible date.

The Committee continues to express its concern about staffing deficiencies at the Huntington VA Medical Center. The Committee has been advised that 20.5 FTE's were added in fiscal year 1986 and 6 FTE's were added in fiscal year 1988. Although encouraged by these developments, the Committee urges the Department of Veterans Affairs to reevaluate the resources needed at the Huntington VA Medical Center and to provide a minimum of 50 FTE's in fiscal year 1990.

The Committee continues to be concerned about the lack of inpatient psychiatric services at the Huntington, WV, VA Medical Center. There is an increasing need for such services by World War II, Korean conflict, and Vietnam-era veterans in the primary service areas of the hospital.

It was anticipated that the new $47,500,000 clinical addition project at the Huntington, WV, Medical Center could provide for the renovation of vacated space to create a 30-bed psychiatric ward at the medical center. At the urging of the Committee, the VA last year indicated that the planned phasing of the construction of the

new clinical addition had been modified to move the renovation forward and that the psychiatric ward could be opened in 1990.

The Committee has now been advised that the completion of the construction project is now scheduled for 1991 and that it will then provide 70 psychiatric beds. Although the Committee is encouraged by these efforts it continues to be concerned about the slow movement toward the provision of these essential services to veterans in the area. The Committee, therefore, urges the Department of Veterans Affairs to accelerate its efforts to make additional psychiatric beds available as soon as possible.

The Committee further encourages the VA to study the need for a cooperative program involving the Huntington VA Medical Center and Marshall University School of Medicine to serve mild-to-moderately ill psychiatric patients.

The Committee has been pleased with the VA's efforts to address the plight of homeless veterans and urges the VA and HUD to work together in developing effective programs and urges that this program continue to be a high priority.

The Committee was distressed to learn of the VA's proposal to significantly reduce training funds for psychology interns. The Committee understands that preliminary plans include a reduction of 17 percent in psychology interns, in contrast to a reduction in medical training of less than 3 percent. Given the pressing need for behavioral and mental health expertise, the Committee strongly urges the VA to make any necessary training reductions in an equitable manner, and not to reduce any particular discipline disproportionately.

The Committee directs the VA to provide its Honolulu clinic with maximum possible flexibility in hiring staff for the Honolulu clinic and neighbor island facilities. The Committee feels that it is important that significant attention be given to local priorities and further, that sufficient behavioral science expertise be provided at the neighbor island sites.

The Committee has included under the "Construction, major projects" account, the $9,500,000 requested by the administration for an outpatient clinical addition to the VA medical Center in Dublin, GA. The Committee is concerned about the previously considered and rejected proposal to close the surgical unit at this facility. The Committee understands that there is no longer any such proposal under consideration by the VA. The Committee expects the Secretary to notify the Committee of any future consideration of proposals that would reduce the services provided at the Dublin facility.

The Committee is pleased that the VA has responded to concerns regarding the availability of medical residents at the VA hospital in Muskogee, OK, by approving an agreement for a 2B affiliation with another medical school to furnish residents to the hospital's Tulsa outpatient clinic. However, the Committee is concerned that the VA has not allocated funds to pay for this affiliation program and directs the Department to fund this commitment and anticipates the addition of residents to the Muskogee VA Hospital program as needed.

The Committee is pleased with the ongoing progress to develop the magnetoencephalography [MEG] project at the Albuquerque

VA Medical Center. The MEG technology holds significant promise for research on brain disorders, such as Alzheimer's disease, schizophrenia, and stroke. The Committee expects the MEG project to proceed to operational status as a research and diagnostic tool in fiscal year 1990.

The Committee has included bill language similar to that included in the House bill, delaying the availability of $278,882,000 of the $442,806,000 in equipment and land and structures object classifications until August 1, 1990. The Committee expects no significant programmatic effects as a result of this delay.

The Committee is concerned with a recent report by the General Accounting Office on the VA physician credentialing process. The GAO found that credentialing and/or privileging problems existed in a number of medical centers. Therefore, the Committee directs the VA to adhere to the GAO's recommendations by issuing comprehensive privileging guidance; developing procedures to assure that regional offices effectively monitor medical centers' compliance with VA's credentialing and privileging guidance; obtain assurances from medical schools that all residents sent to VA have had their background examined; and work with the Office of General Counsel to develop a policy and issue guidance on procedures to provide due process for physicians who resign or retire while being investigated for incompetence. The Committee directs the Department to report on its progress and the steps it is taking to comply with GAO's recommendations by March 16, 1990.

The Committee is concerned that, despite the directive contained in the House Appropriations Committee's report on the fiscal year 1989 appropriations act that VA revise its resource allocation methodology to reflect the full costs of treating AIDS patients (House Report 100–701, page 56), and despite the $23,000,000 increase for AIDS care provided for fiscal year 1989 in Public Law 100–404, VA facilities treating large numbers of AIDS patients are still not being fully compensated for the care involved. The Committee directs VA to report to it by December 1, 1989, on the adequacy of fiscal year 1990 appropriations to VA medical centers to cover the actual costs of AIDS care at centers treating substantial numbers of AIDS patients. In the meantime, VA is further directed to make special AIDS allocations for the first quarter to the 16 VAMC's with the highest AIDS caseloads, in the same proportions as, and under the same terms specified in the conference report (House Report 100–817, page 26) on that public law for, the special allocations made in fiscal year 1989.

The Committee wishes to emphasize its support for language contained in the House Appropriations Committee report directing the VA to consult with the Committees on Appropriations prior to the decision to establish additional satellite outpatient clinics.

The Committee also supports the House directive that the VA submit its fiscal year 1990 operating plan to the Committees on Appropriations within 30 days of enactment of the appropriations bill.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 1989	$210,241,000
Budget estimate, 1990	197,310,000
House allowance	211,000,000
Committee recommendation	221,000,000

PROGRAM DESCRIPTION

The appropriation recommended by the Committee provides funds for the conduct of the VA's Medical Research Program and for a Rehabilitation Research Program focusing on rehabilitation engineering problems in the field of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. The "Medical and prosthetic research" account also provides support for a Health Services Research Program at VA medical centers for improving the effectiveness and economy of delivery of health services and improving the accessibility of services to veterans.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $221,000,000 for medical research. This is $10,000,000 more than the House allowance, an increase of $23,690,000 over the administration's request, and an increase of $10,759,000 above the fiscal year 1989 appropriation.

The Committee's recommendation includes an appropriation of $1,000,000 for a survey and evaluation of the scientific evidence relating to exposure of dioxin and other toxic herbicides used in Vietnam. The survey and evaluation would be conducted on a biennial basis by the National Academy of Sciences. The Committee understands that the survey would form the primary basis for the VA Secretary's determinations that certain diseases arising in Vietnam veterans are to be service-connected for compensation purposes. Moreover, the Committee believes applications of these reviews could go far beyond Vietnam veterans and contribute significantly to the public health and the environment.

The Committee recommends an appropriation of $1,000,000 for a study of post-traumatic stress disorder [PTSD] and other psychological problems among minority Vietnam veterans including Asian-American, native American, native Hawaiian, other native American Pacific Islander, Native Alaskan, black, Hispanic, and women Vietnam veterans. This study would parallel and supplement the recently completed national Vietnam veterans readjustment study required by section 102(a)(1) of Public Law 98–160. The Committee understands that there is mounting evidence indicating that the Vietnam experience of these particular veterans differs significantly in quality and magnitude from that of their white counterparts. If these initial observances are validated by the proposed study, an entirely different outreach and treatment regime may have to be developed to meet their needs.

The Committee continues to be concerned that VA research proposals approved before January 1987 did not include funding requests to cover term employees under the Federal Employee's Retirement System [FERS]. Last year the Committee directed the VA

to provide enough funds to all research investigators to cover their FERS costs. The Committee again directs the VA to cover these unforeseen costs estimated by VA central office to be $3,000,000 in fiscal year 1990.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriations, 1989	$47,909,000
Budget estimate, 1990	48,541,000
House allowance	48,541,000
Committee recommendation	48,112,000

PROGRAM DESCRIPTION

This appropriation provides funds for: (1) central office executive direction (Chief Medical Director and staff), administration and supervision of all VA medical programs, including development and implementation of policies, plans and program objectives as well as followup action to insure the accomplishment of goals; and (2) grants under the Health Professional Scholarships Grant Program for eligible students in nursing and other health professional degree programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $48,112,000 for medical administration and miscellaneous operating expenses, a decrease of $429,000 below the administration's request and the House allowance, and an increase of $203,000 over the fiscal year 1989 appropriation.

Recognizing the fact that the VA has been experiencing recruitment and retention problems of nurses and other allied health care professionals, the Committee concurs with the House increase of $1,000,000 for the Health Professional Scholarship Program. Because this scholarship program is one of the principal methods the Department uses to address recruitment and retention problems, the Committee urges the VA to develop innovative methods to deal with this critical situation, and to submit a report to the Committee by January 1990 on the steps it has taken to do so.

The Committee concurs with the House general reduction of $1,000,000 from this account to be taken at the VA's discretion.

The Committee's recommendation reflects a transfer of $429,000 from medical administration and miscellaneous operating expenses to general operating expenses. The transfer is associated with the reorganization of the Department of Veterans Affairs, undertaken by the VA Secretary. A total of $290,000 and two FTE's for emergency preparedness would be transferred to the Deputy Assistant Secretary of Administration. The remaining $139,000 and three FTE's representing occupational health and safety would be transferred to the Deputy Assistant Secretary for Personnel and Labor Relations under the reorganization. Since these activities impact all VA employees, the Committee believes funding should be provided under the "General operating expenses" account.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

Appropriations, 1989	$500,000
Budget estimate, 1990	500,000
House allowance	500,000
Committee recommendation	500,000

PROGRAM DESCRIPTION

Public Law 99-576, enacted to assure the continued effective care and treatment of U.S. veterans at the Veterans Memorial Medical Center [VMMC], provides for an annual grant of $500,000 through 1989. The grant is for the replacement and upgrading of equipment and the rehabilitation of the VMMC's physical plant and facilities.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of $500,000 for grants to the Republic of the Philippines. This is the same level approved in the House allowance. This grant will assure the continued effective care and treatment of veterans at the medical center.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriations, 1989	$784,216,000
Budget estimate, 1990	803,559,000
House allowance	805,059,000
Committee recommendation	804,288,000

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration; the operation and maintenance of 112 national cemeteries by the national cemetery system; and top management direction and support through Department-level staff offices including the Office of Information Systems and Telecommunications. Specifically, general operating expenses cover the following activities:

Veterans benefits.—This activity determines eligibility and adjudicates all claims for compensation, pensions, educational assistance, housing loan assistance, and insurance awards.

Memorial affairs.—This activity provides for the interment of eligible deceased servicepersons, discharged veterans, and dependents in national cemeteries and procures headstones and markers for graves of eligible active duty personnel as well as discharged veterans.

General administration.—This activity includes the executive direction of the Department and several top level supporting offices, plus the activities of the Board of Veterans Appeals, which decides all cases of appeals to the Secretary on claims involving benefits under veterans legislation, and the Board of Contract Appeals, which decides appeals on the contracts made by the VA.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $804,288,000 for general operating expenses, an increase of $729,000 above the administration's request, a decrease of $771,000 below the House allowance, and an increase of $20,072,000 above the fiscal year 1989 appropriation.

The Committee is concerned about the decline in the VA's ability to process claims in a timely fashion and the further decline which the administration's proposed staffing reductions would cause. Current projections indicate that the pending original compensation and pension claim backlog will be nearly 95,000 at the end of 1989. The current blocked call rate is approximately 30 percent. Thus, the Committee recommends an appropriation of $3,500,000 to increase the field staffing requested for the Veterans Benefits Administration. This increase will reduce the caseload backlog by approximately 205,000 cases. The Committee notes that the House provided an increase of $10,500,000 for this activity.

The Committee recommends an increase of $2,500,000 for the loan guaranty program to increase loan servicing activities, in lieu of $4,500,000 in the House bill. The Committee understands that additional emphasis on loan servicing will lower loan defaults and result in savings to the loan guaranty revolving fund.

The Committee recommends a decrease of $6,000,000 to be taken from other than salary costs in the Veterans Benefits Administration, in lieu of the House reduction of $12,000,000.

The Committee does not concur with the House reduction of $4,000,000 from the increase requested for other than payroll costs in general administration. The Committee understands that the administration's request for general administration includes several initiatives which will improve the operations of the medical centers and regional offices by providing management information for those facilities on a daily basis. The reduction taken by the House would certainly hinder these initiatives.

The Committee does not concur with the House increases of $1,000,000 for 24 FTE"s to restore Board of Veterans Appeals staffing and $2,500,000 for the loan production system.

As noted under the section on medical administration and miscellaneous operating expenses, the Committee recommends a transfer of $429,000 from that account into general operating expenses for the reasons detailed in that section. The Committee further recommends a transfer of $300,000 from the "Inspector general" account to general operating expenses. Under the VA's reorganization, program evaluation contracts will be transferred to the Deputy Assistant Secretary for Veterans Liaison and Program Coordination in the "General operating expenses" account. Finally, consistent with the Secretary's reorganization plan, the Committee recommends a transfer of 24 FTE"s from the "General operating expenses" account to the supply fund in order to centralize the central office supply acquisition function.

As in the House-passed bill, language has been included earmarking $553,329,000 and not less than 12,600 FTE"s for the Veterans Benefits Administration.

Bill language has been included, at the request of the Department, to increase official representation expenses to $7,000.

The Committee directs the VA to work with the Neighborhood Reinvestment Corporation to develop innovative methods to stem the tide of home foreclosures, and to submit a report on the status of that effort by January 1, 1990.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1989	
Budget estimate, 1990	$22,249,000
House allowance	22,249,000
Committee recommendation	21,949,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investigation of all Department of Veterans Affairs programs and operations. In accordance with the Inspector General Act amendments, Public Law 100–504, a separate appropriation is being requested for the Office of Inspector General.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $21,949,000 for the Office of the Inspector General. This is a decrease of $300,000 below the request and the House allowance, and reflects the VA Secretary's proposed reorganization plan. As detailed under the general operating expenses section, the $300,000 reduction from the "Inspector general" account is transferred to the "General operating expenses" account for program evaluation contracts.

CONSTRUCTION, MAJOR PROJECTS

Appropriations, 1989	$363,040,000
Budget estimate, 1990	365,849,000
House allowance	417,549,000
Committee recommendation	190,266,978

PROGRAM DESCRIPTION

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is $2,000,000 or more.

Emphasis is placed on correction of life/safety code deficiencies in existing VA medical facilities. Funds again are requested for the Design Fund which would provide working drawings for projects planned for the following budget year.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $190,266,978 for construction, major projects. This is a decrease of $229,982,022 below the House allowance, a decrease of $175,582,022 below the

administration's request, and a decrease of $172,773,022 below the fiscal year 1989 level.

The following table compares the Committee's recommendation with the House and budget request:

CONSTRUCTION, MAJOR PROJECTS, FISCAL YEAR 1990

Facility type and location	Administration request	House recommendation	Senate recommendation
A. MEDICAL PROJECTS			
Replacement and modernization:			
Gainesville, FL, 290-bed psychiatric building		$8,900,000	
Nashville, TN, clinical addition and patient privacy		42,800,000	(1)
Newington, CT, medical center modernization	$53,745,000	53,745,000	(1)
North Chicago, IL, environmental improvements, patient and nursing home care building [2]	17,234,000	17,234,000	$17,234,000
Palm Beach, FL, new medical center	112,025,000	112,025,000	(1)
Subtotal	183,004,000	234,704,000	17,234,000
Advance planning fund:			
El Paso, TX, ambulatory care facility replacement		1,000,000	
Wilmington, DE, clinical addition project		1,000,000	1,000,000
Leavenworth, KS, domiciliary replacement			2,000,000
Palm Beach, FL, nursing home care unit		400,000	
Various stations	24,760,000	22,760,000	21,760,000
Subtotal	24,760,000	25,160,000	24,760,000
Asbestos abatement: Various stations	30,000,000	30,000,000	30,000,000
Clinical improvements: Dublin, GA, outpatient clinic addition	9,500,000	9,500,000	9,500,000
Design fund:			
Marion, IN, gerophychiatric facility		4,300,000	
Temple, TX, bed addition		5,000,000	(1)
Tampa, FL, renovate 30-bed spinal cord injury unit		2,300,000	
Various stations	13,600,000	4,300,000	13,600,000
Subtotal	13,600,000	15,900,000	13,600,000
Fire and safety improvements: Waco, TX, renovate buildings 4, 7, and 11	19,200,000	19,200,000	19,200,000
General:			
Columbia, SC, new psychiatric building	10,600,000	10,600,000	(1)
Las Vegas, NV, VA/Air Force joint venture medical center at Nellis Air Force Base	9,300,000	9,300,000	9,300,000
Lyons, NJ, renovate building 53	10,700,000	10,700,000	10,700,000
Salt Lake City, UT, renovate building 1	26,600,000	26,600,000	26,600,000
Subtotal	57,200,000	57,200,000	46,600,000
Hazardous waste abatement: Various stations	12,000,000	12,000,000	12,000,000
Seismic improvements: Long Beach, CA, structural seismic corrections	6,000,000	6,000,000	6,000,000
Research and education: East Orange, NJ, relocate/consolidate research	3,100,000	3,100,000	3,100,000
5B. REGIONAL OFFICE PROGRAM			
Regional office projects:			
Advance planning fund: Various stations	700,000	700,000	700,000
Design fund: Various stations	600,000	600,000	600,000
Subtotal	1,300,000	1,300,000	1,300,000

CONSTRUCTION, MAJOR PROJECTS, FISCAL YEAR 1990—Continued

Facility type and location	Administration request	House recommendation	Senate recommendation
C. NATIONAL CEMETERY PROGRAM			
National cemetery program:			
Advance planning fund: Various stations	2,100,000	1,800,000	2,100,000
Design fund: Various stations	900,000	900,000	900,000
Fort Snelling, MN, gravesite development	3,050,000	3,050,000	3,050,000
Jefferson Barracks, MO, gravesite development	4,480,000	4,430,000	4,430,000
Dallas/Fort Worth, TX, environmental impact statement for new cemetery		300,000	
Subtotal	10,480,000	10,480,000	10,480,000
Subtotal, major construction programs	370,144,000	424,544,000	193,774,000
D. GENERAL CONSTRUCTION			
Major construction, general			787,978
Less: Fiscal year 1989 design fund	—4,295,000	—4,295,000	—4,295,000
Total, new budget authority, major projects	365,849,000	420,249,000	190,266,978

[1] Bill language has been included to lease-purchase these projects.
[2] Funds requested in fiscal year 1990 are to restore moneys transferred from phase III of this project to the working reserve to allow the construction award of the New York, NY, outpatient/clinic addition and alterations project. A project revalidation in accordance with Department procedures will be conducted prior to requesting the additional funds required for this project in 1991 or future years to insure that the project planning information and cost estimate are current at the time of the future budget request.

The Committee recommends lease-purchase arrangements for the following projects:

Nashville, TN, clinical addition and patient privacy project: the House provided $42,800,000 for this project; Newington, CT, medical center modernization: the administration requested and the House provided $53,745,000 for this project; Palm Beach, FL, new medical center: the administration requested and the House provided $112,025,000 for this project; Temple, Texas, bed addition: the House provided $5,000,000 for the design of this project; and Columbia, SC, new psychiatric building: the administration requested and the House provided $10,600,000 for this project.

The Committee has included the necessary bill language for these projects. The Committee understands that a lease-purchase arrangement is a financing mechanism that will not delay the construction or activation of any of these projects.

The Committee recommends the deletion of the following House-passed additions to the budget request: $8,900,000 for the design of a 290-bed psychiatric building at Gainesville, FL; $4,300,000 for the design of a geropyschiatric facility project at Marion, IN; $300,000 for an environmental impact statement for a new cemetery in the Dallas/Fort Worth, TX, area; $400,000 for a Palm Beach, FL, nursing home care unit; $2,300,000 for a Tampa, FL, spinal cord injury unit; $1,000,000 for the design development of a replacement for the ambulatory care facility on the grounds of the William Beaumont Medical Center at El Paso.

The Committee does not concur with the House reduction of $9,300,000 from the design fund. The Committee recommends a reduction of $1,000,000 from the advance planning fund, in lieu of the House reduction of $2,300,000.

The existing domiciliary at Leavenworth, KS, operates in 11 buildings which were constructed in the late 1800's. These buildings have numerous space and functional deficiencies and do not afford an appropriate level of patient privacy. Furthermore, the buildings are not suited for long-term use. Therefore, the Committee has provided $2,000,000 to begin the design of a replacement domiciliary for the VA medical center in Leavenworth, KS.

The Committee concurs with the House in recommending an appropriation of $1,000,000 for the modification of preliminary plans of the clinical addition project at Wilmington, DE.

The Committee is distressed with the inordinate number of cost overruns in the VA construction program. In a recent 3-month period the Department submitted requests for reprogramming approvals resulting from cost overruns totaling $26,000,000. The Committee wishes to make clear that it will no longer approve such reprogramming requests in a perfunctory manner. Cost overruns will be given the strictest scrutiny and reprogramming requests will be approved only in extenuating circumstances. Therefore, the Committee urges the VA to reevaluate the way it runs its construction program so that such excessive cost overruns do not occur in the future. The Committee directs the VA to submit a report to the Committee by January 1990 on its planned reforms to the construction program.

The Committee has been made aware of the availability of 13.5 acres of land adjacent to the Beckley, WV, VA Medical Center at an estimated cost of $100,000. This parcel of land is the only undeveloped land adjacent to the hospital. Although there is no construction planned on this land by the Beckley Medical Center at present, its purchase would provide the Government with the flexibility of using it in the future. The Committee, therefore, urges the VA to purchase this parcel of land at this time in order to guarantee its availability for Government use.

The Committee is concerned about ongoing delays in the expansion and renovation of the VA medical center in Decatur, GA. This work has been planned for over 7 years and is urgently needed for the improved provision of services to veterans in the Southeast. The Committee expects the VA to take all necessary steps to complete this high-priority work at the earliest possible date.

The Committee is extremely concerned about delays in the construction of the VA's proposed new outpatient clinic in Savannah, GA. The need for this facility is pressing and well-documented, and the Committee fully supports its establishment. It is the Committee's understanding that this facility will be completed by mid-September 1989, and the Committee expects that the VA will take all necessary steps to provide medical care at the earliest possible date in fiscal year 1990 from this outpatient clinic in Savannah.

The Committee is pleased with the VA's progress regarding its planning, site selection, and solicitation for an architect/engineering firm, for the construction of a VA medical center in Hawaii. The Committee once again reiterates its interest in locating the medical facility at the Leahi Hospital site near Diamond Head, Oahu, and further directs the VA to give this possible site every due consideration in determining an appropriate location. In its planning of the medical facility, the Committee urges the VA to

tailor the hospital to fit the particular health care needs of Hawaii's veteran population.

The Committee is concerned that the VA has identified, in its 5-year construction plan, a project to replace the operating suite at the VA hospital in Oklahoma City since 1980, but has yet to complete project design and construction. A 1988 inspector general report stated that deficiencies in the operating suite created a high risk of adversely affecting the quality of patient care. The Committee, therefore, expects that the VA will complete project design during fiscal year 1990 and request fiscal year 1991 construction funds.

The Committee is distressed with the VA's lack of responsiveness to the Committee's request for a report on the disposition of the Loch Raven VA facility in Baltimore, MD. Although this facility is no longer suitable for acute care, it has potential for other uses by the VA. The Committee believes that the VA has needlessly delayed in developing an adequate plan for the disposition of this facility. Therefore, the Committee directs the Department to submit such a plan by December 15, 1989, to the Committees on Appropriations, and urges the VA to closely consider the possibility of using this facility as a long-term care facility. The Committee further directs the Department to consult with the city of Baltimore as to the appropriate disposition of this facility before completing this plan.

The Committee has included bill language permitting the transfer of up to $50,000,000 from construction, major projects to medical care.

Any such transfer would be subject to the normal reprogramming guidelines established by the Committee.

CONSTRUCTION, MINOR PROJECTS

Appropriations, 1989	$111,596,000
Budget estimate, 1990	114,699,000
House allowance	113,699,000
Committee recommendation	111,596,000

PROGRAM DESCRIPTION

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the VA, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $2,000,000, and expenses of the Office of Facilities. Emphasis is placed on correction of code deficiencies in this appropriation request. The recommendation includes funding for personnel and other expenses of the Office of Facilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $111,596,000 for construction, minor projects. This is $2,103,000 less than the House provided, a decrease of $3,103,000 below the administration's request, and the same as the fiscal year 1989 appropriation.

The Committee concurs with the House reduction of $1,000,000 to be applied to the limitation of $45,136,000 requested for the Office of Facilities.

The Committee has taken a further reduction of $2,103,000, to be taken at the VA's discretion.

The Committee has added bill language which allows the Department of Veterans Affairs to assist the city of Sturgis, SD, in funding improvements to a wastewater treatment plant which services the Department of Veterans Affairs Medical Center, Fort Meade, SD. The Committee is aware that the city lacks sufficient funds to undertake the entire improvement project despite a grant from the Environmental Protection Agency. Consequently, in order for the medical center to continue to be provided adequate sewer service to meet its sanitary needs, the Committee is providing the necessary funding to cover the entire portion of the improvement costs attributable to the medical center's usage of the wastewater treatment plant.

The Committee has included bill language allowing the transfer of up to $21,000,000 from the "Construction, minor projects" account to the "General operating expenses" account or "Inspector general" account. Any such transfer would be subject to the normal reprogramming guidelines established by the Committee.

PARKING GARAGE REVOLVING FUND

Appropriations, 1989	$26,000,000
Budget estimate, 1990	7,075,000
House allowance	29,375,000
Committee recommendation	

PROGRAM DESCRIPTION

The revolving fund provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 5009.

The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in the revolving fund and would be used to fund future parking garage initiatives.

COMMITTEE RECOMMENDATION

The Committee recommends no appropriation for the parking garage revolving fund. The Committee has provided for a lease-purchase of the new medical center in West Palm Beach, FL, and the associated parking garage in the "Medical care" account. Thus, the Committee has deleted the administration's request of $7,075,000 for the parking garage revolving fund.

The Committee also recommends deletion of the House addition of $22,300,000 for a parking facility at the Detroit, MI, VA Medical Center.

The Committee recognizes the inconvenient and often hazardous situations posed by the limited parking facilities available at the Pittsburgh, PA, VA Medical Center (University Drive). The 600

parking spaces presently available are insufficient in accommodating the approximately 1,300 employees, 9,000 inpatients, and the estimated 128,000 outpatients who utilize the medical center. Accordingly, the Committee urges the VA to address the situation on a priority basis with a goal to commence construction of additional parking facilities by fiscal year 1991.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 1989	$42,000,000
Budget estimate, 1990	42,000,000
House allowance	42,000,000
Committee recommendation	42,000,000

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year.

As of September 30, 1988, Federal funds in excess of $307,082,000 have been obligated to help finance 212 projects in 36 States.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $42,000,000 for grants for construction of State extended care facilities in fiscal year 1990. This amount is the same as the House allowance. These funds will provide for six projects, which will produce 760 additional nursing home and 326 domiciliary beds.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

Appropriations, 1989	$9,000,000
Budget estimate, 1990	4,356,000
House allowance	4,356,000
Committee recommendation	4,356,000

PROGRAM DESCRIPTION

Public Law 95-476, as codified in title 38 U.S.C. 1008, established authority to provide aid to States for establishment, expansion, and improvement of veterans' cemeteries. States receive financial assistance to provide burial space for veterans and serve to enhance the national cemetery system. The cemeteries are operated and permanently maintained by the States. A grant may not exceed 50 percent of the total value of the land and the cost of improvements. The remaining amount must be contributed by the State.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $4,356,000 for grants for construction of State veterans' cemeteries in fiscal year 1990. This is the same as the House allowance.

GENERAL PROVISION

The Committee understands that during the past 2 years, interest payments of approximately $375,000 have accrued on various construction contractor claims due to the requirements of 38 U.S.C. 203(b). Therefore, the Committee has included bill language to amend title 38, section 203(b), United States Code, to delete the requirement that settlements of claims in excess of $1,000,000 on a construction contract be provided for specifically in an appropriation law, and to provide instead that the Secretary notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1,000,000.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

Appropriations, 1989	$5,718,122,220
Budget estimate, 1990	5,875,242,465
House allowance	6,000,387,625
Committee recommendation	6,001,221,525

PROGRAM DESCRIPTION

Currently, the Department's assisted housing efforts principally consist of a low-income public housing program and the section 8 lower income rental housing assistance program. Under the Public Housing Program, local public housing agencies develop, own, and operate low-income public housing projects, with HUD entering into a commitment to pay construction and modernization costs to help assure low rents and adequate services. Financial assistance is also provided to Indian housing authorities to plan, build, own, and operate low-income public housing projects. Under the section 8 rent subsidy certificate program, the Department pays the difference between what an eligible lower-income household can afford (30 percent of income for most programs), and the fair market rent for an adequate housing unit. This rental assistance may be used for existing housing, for new construction of units for elderly and handicapped individuals and for rehabilitated units. Under the section 8 housing voucher programs the Department provides a fixed amount for eligible lower-income households regardless of the rent actually paid.

The amount appropriated for annual contributions for 1989 contained $20,000,000 for the Nehemiah Housing Opportunity Grants Program. The program was authorized in the Housing and Community Development Act of 1987 for the purpose of encouraging homeownership, area revitalization, and employment opportunities.

COMMITTEE RECOMMENDATION

The Committee recommends $6,001,221,525 in new budget authority for the Department's assisted housing program. This is $1,125,979,060 more than the budget request and $833,900 above the House allowance.

The Committee's recommendation would provide for an additional 84,028 incremental units of new housing. When combined with the 2,044 new units provided under the separate account for the

Moderate Rehabilitation Single-Room Occupancy [SRO] Program, the total number of incremental units provided in the bill is 86,072. This is 7,722 incremental units more than the House bill and 3,259 incremental units above the 1989 enacted level.

The Committee has created new accounts for three housing programs funded by the House in the annual contributions for assisted housing: Section 8 contract renewals, public housing modernization and the section 8 moderate rehabilitation program's Single Room Occupancy Program. Funding levels for these programs and a comparison with the House for each of them can be found in this report under their respective accounts.

The following table sets forth the details of the Committee's recommendations:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FISCAL YEAR 1990—GROSS RESERVATIONS

	Units	Cost	Term	Budget authority
Recaptures	NA	NA	NA	$221,500,000
Rescission of recaptures	NA	NA	NA	(221,500,000)
New authority	NA	NA	NA	6,001,221,525
Total, available	NA	NA	NA	6,001,221,525
Public housing:				
Public housing development/major reconstruction	[1] 5,750	$67,134	NA	386,020,500
Indian housing	[1] 1,800	74,652	NA	134,373,600
Amendments	NA	NA	NA	39,836,500
Lease adjustments	NA	NA	NA	21,000,000
Subtotal, public housing	7,550			581,230,600
Section 8 and other:				
Section 202:				
Regular	[1] 6,375	6,932	20	883,830,000
Amendments	NA	NA	NA	180,000,000
Handicapped	[1] 2,125	7,625	20	324,062,500
Amendments	NA	NA	NA	50,000,000
Subtotal, section 202	8,500			1,437,892,500
Vouchers:				
Incremental	[1] 12,478	5,689	5	354,938,523
Opt outs/prepayments/relocation	3,750	5,689	5	106,668,750
Subtotal, vouchers	16,228			461,607,273
Certificates:				
Existing certificates (5 year)	[1] 48,000	5,992	5	1,438,080,000
Opt outs/prepayments/relocation	3,750	5,992	5	112,350,000
Public housing demolition/disposition replacement (15 year)	500	6,307	15	47,302,500
Subtotal, existing	48,500			1,597,732,500
Loan management (default service)	[1] 7,500	4,783	5	179,362,500
Property disposition	3,157	6,694	15	318,545,152
Section 23 conversions (5 year)	300	3,394	5	5,091,000
Amendments:				
Existing housing	NA	NA	5	734,760,000
Project reserves	NA	NA	7	530,000,000
Moderate rehab	NA	NA	10	60,000,000
Property disposition	NA	NA	15	20,000,000
Subtotal, amendments	NA			1,350,760,000
Subtotal, section 8 and other	87,935	NA	NA	5,350,990,925

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FISCAL YEAR 1990—GROSS RESERVATIONS—Continued

	Units	Cost	Term	Budget authority
Total, public housing and section 8	95,485	NA	NA	5,932,221,525
Nehemiah housing opportunity	NA	NA	NA	25,000,000
Drug elimination grants	NA	NA	NA	50,000,000
Total, annual contributions	95,485	NA	NA	6,001,221,525

[1] Incremental units, 84,028.

For the last several years, the budget for the assisted housing program has focused attention on the distinction between the so-called incremental and nonincremental units which are supported using newly appropriated funds. Incremental units are defined as those which result in a net addition to the total inventory of federally subsidized rental housing. As such, incremental unit counts provide a rough estimate of total, direct federally subsidized rental housing assistance available to serve the Nation's low income renter population. Nonincremental units, on the other hand, do not add to the stock of assisted housing but represent a replacement in which the new funding is presumably being used to substitute for some other form of rental subsidy on the assisted unit.

While serving as a rough indicator, the current distinction between incremental and nonincremental units can result in distorting the total levels of assistance made available. For example, assistance for loan management and property disposition units are not considered as incremental units because in many cases, at least in prior years, they provided substitute assistance. However, since the passage of the title II low-income housing preservation provisions in the Housing and Community Development Act of 1987, and the clarifications contained in the Stewart B. McKinney Amendments of 1988, an increasing portion of both loan management and property disposition assistance can be devoted to formerly unsubsidized projects with the intent of preserving and increasing the rental stock available to serve low-income needs.

As a consequence of these changes, the Committee believes that it would be appropriate to add assistance provided under these two programs to the count of incremental units. However, since the Department has not yet fully implemented the provisions of title II, the Committee conservatively is adding only the loan management units to the count. Based on this more accurate count, the Committee recommendation comes to 84,028 incremental units provided through the "Annual contributions" account.

The Committee recommends a total of $581,230,600 for public housing programs. Consistent with the administration's request, the Committee has funded public housing modernization in a separate account. This amount is $125,054,900 less than the House, but $520,394,100 above the budget request. Within these totals, the Committee recommends:

—$386,020,500 for public housing development and major reconstruction, which will provide 5,750 new units, 1,500 units and

$124,613,000 less than the House allowance. The budget requested no funds for this activity.

—$134,373,600 for Indian housing units, which will provide for 1,800 new units, 800 units and $59,721,600 above the House level. The budget requested no funds for this activity.

—The Committee has not included language, proposed by the House, which would raise the existing cap on total development costs allowed for public housing construction.

—The Committee has included language identical to that proposed by the House that would rescind recaptured public housing construction and modernization funds for Indian families. This language is identical to that required for all other funds in the "Annual contributions" account.

—The Committee concurs with the House in encouraging maximum flexibility with funds provided by permitting public housing authorities [PHA's] to apply either for a total rehabilitation of existing unoccupied housing units or for additional new units.

The Committee concurs with the House in providing $1,437,892,500 and 8,500 units for section 202 elderly/handicapped housing under the section 8 program. This is $195,832,500 and 1,500 units above the budget request. Within this total, funds for 6,375 units for the regular 202 elderly program and 2,125 handicapped units have been provided. In addition, the Committee has included $180,000,000 in amendment money to help to begin to alleviate the backlog of section 202 projects, the same level as proposed by the House. The Committee has also included $50,000,000, the same as in the House, in amendment money to continue implementation of a permanent provision included in the 1989 Supplemental Appropriations Act. This provision allows the conversion of section 202 projects for handicapped, approved with section 8 assistance prior to the Housing and Community Development Act of 1987, to the new handicapped program authorized in that act without such conversion being treated as a recapture subject to rescission—a situation that would have negated the intent of Congress. Since conversion to the new handicapped program can mean somewhat increased costs, the Committee has included funds for the new program to provide for increases on previously approved units which wish to convert. The Committee also concurs with the House in adding bill language under the section 202 program designating that not less than 250 of these units go to individuals suffering from AIDS.

The Committee recommends $354,938,523 to fund 12,478 incremental section 8 vouchers, a reduction of $534,586,477 and 22,522 units below the House allowance. This reduction, however, has been offset by an increase in the number of incremental section 8 certificates. The Committee recommends $1,438,080,000 to fund 48,000 certificates, an increase of $689,123,750 and 23,000 units above the House allowance. The Committee has taken this action based upon the findings of a General Accounting Office [GAO] report done for the subcommittee earlier this year which concluded that vouchers were 7 percent more expensive than certificates when their respective costs were compared during the first year that they coexisted. In addition, the Committee notes that HUD's

latest data for section 8 contract renewals indicates that vouchers are 6 percent more expensive per unit than certificates. Given the predominant shift of assisted housing units toward the voucher program in recent years, the Committee believes that some restoration of the balance between the use of certificates and vouchers is warranted. In addition, the Committee directs GAO to do a follow-on study comparing the costs of vouchers and certificates using the most recent HUD data on the subject.

The Committee has proposed 7,500 certificate/voucher units and $219,018,750 to deal with section 8 opt outs, prepayments, and relocations. Unlike the House, however, the Committee has divided these units equally between certificates and vouchers.

In addition, the Committee recommends $179,362,500 and 7,500 units for loan management set asides, $71,745,000 and 3,000 units more than the House. These additional funds are designed to be used in the preservation of units which might otherwise be lost in the assisted housing stock.

In providing these units for the preservation of assisted housing units that otherwise might be lost, the Committee notes that these are minimal amounts designed to deal with the prepayment provision of the Housing and Community Development Act of 1987. The Committee directs the Department to make this assistance available either: for project-based section 8 assistance to help implement plans of action approved under title II of 1987 act; or for tenant-based section 8 assistance to help displaced tenants, as a last resort to be used after other measures authorized in subtitle B of title II or in section 262 of the 1987 act fail to avoid opt-outs or prepayment.

The potential loss to the assisted housing stock resulting from mortgage prepayments by section 236 and section 221(d)(3) projects is well documented. The National Low Income Housing Preservation Commission, in its report "Preventing the Disappearance of Low Income Housing," and the Congressional Budget Office, among others, have attempted to identify the universe at risk and estimate the potential costs involved in preserving or replacing this low-income housing resource. Based upon these concerns, the 1987 HCD Act includes a number of measures which are designed to delay losses from this inventory until the administration and the Congress can develop an acceptable long-range strategy for preserving or replacing these low-income housing resources. The statutory protections are scheduled to sunset on February 5, 1990, and the Committee is very concerned by the failure of the administration to present any plan for dealing with the current crisis. The Committee urges the administration to face up to its responsibility in this area and submit a plan, along with a request for a supplemental appropriation required to execute that plan, as soon as possible.

The Committee is concerned about HUD's administration of the section 8 Discretionary Loan Management Set-Aside [LMSA] Program based on reports from the inspector general. It was reported in the Office of Inspector General's report to the Congress for October 1, 1988 through March 31, 1989 that there has been a lack of written HUD guidelines for administering this program. This has led to situations where projects that did not meet approval under HUD regulations and had not demonstrated an emergency need

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were funded. Many of the funding decisions for LMSA assistance were not well documented and incorrect. The inspector general's office made a number of recommendations to the Federal Housing Commissioner with which the Office of Housing generally agreed and planned to implement these suggestions. The Committee has taken an interest in this program and would like to see that these recommendations are, in fact, implemented. Therefore, the Committee directs HUD to submit a report on the progress of these changes no later than March 31, 1990.

The Committee concurs with the House in providing $47,302,500 and 500 incremental units for 15-year certificates for public housing demolition and disposition replacement.

The Committee also concurs with the House in providing $318,545,152 and 3,157 units for property disposition connected with HUD-owned properties.

The Committee recommends $5,091,000 and 300 units for section 23 project conversions to the section 8 program. This is $3,394,000 and 200 units less than the House allowance.

Like the House, the Committee has deferred any new funding for the regular section 8 moderate rehabilitation program. The Committee is outraged about revelations in recent months that have indicated that consultants were paid astronomical fees in order to obtain funds for projects on the basis of political influence rather than merit. The Committee commends the new Secretary for taking prompt action, based upon the recommendation of the inspector general, to reform this program. The Committee notes, however, that the new regulations issued for the distribution of previously appropriated, but unobligated, funds in this program would actually prevent communities with lower-income populations from qualifying for eligibility. The most pointed example of this unintended negative consequence is in California, where the cities of Laguna Beach and Beverly Hills can qualify for funds under the new regulations, but a community with a lower per capita income like Santa Ana cannot. Therefore, the Committee directs the Department to issue no new awards under this program until it has revised its new regulations to more properly target these moderate rehabilitation funds to lower-income communities. The Committee concurs with the House in directing the Department to also make sure that these regulations ban the use of nontechnical consultants.

The Committee also recommends $25,000,000 for a second year of funding for the Nehemiah program. The House provided no funds for this initiative. The Committee strongly believes that this program has the potential to help revitalize particularly economically distressed urban areas. In addition, the Committee has included bill language which delays the availability of these funds until July 1, 1990. This should provide HUD with sufficient time to consult with the Committee on any adjustments needed in the program after all of its fiscal year 1989 funds have been awarded.

The Committee has included $50,000,000 for drug elimination grants, $35,000,000 above the House level and the full amount requested in the President's national drug strategy. The Committee has included bill language directing that the funds be allocated in a fashion consistent with the 1988 drug bill provisions related to

public housing. The Committee is deeply concerned, however, about the failure of the Department to provide the Committee with a comprehensive plan and budget for attacking the drug problem in public housing. The report submitted by HUD in response to a requirement of the 1988 drug bill on this matter was noticeably vague on how much funding is needed to provide public housing authorities with the tools to properly combat this menace, as well as a method of distribution that is targeted to the areas most in need. Therefore, the Committee directs the Department to undertake an additional review of this subject, determine how much funding is needed to properly deal with this problem nationwide, and what is the best means of allocating these resources. The Committee expects this report by March 17, 1990.

The Committee directs the Department to establish within the Office of Public and Indian Housing a clearinghouse on information for public housing authorities to learn which drug elimination strategies are most effective in public housing. In addition, the Committee strongly urges the Department to establish a plan of action that would provide for a series of regional training academies for public housing authorities on how best to cope with the drug crisis in public housing. Finally, the Committee directs the Department to explore the most cost-effective means to keep proper records on tenants evicted from public housing because of illegal drug activity. This review should determine the cost of such an operation and evaluate how best to guarantee the privacy rights of individuals that would be affected. The results of this review should be submitted within 120 days following the enactment of this act.

The Committee recommends $1,350,760,000 for various forms of amendment activity in fiscal 1989. This amount is $50,630,723 below the House allowance, but $86,000,000 above the budget request. The Committee wishes to make clear it does not permit the use of any of these funds for the extension of section 8 contracts which are set to expire in fiscal year 1990 or whose renewal would otherwise have to be funded in 1990. The Committee expects any activity concerning expiring section 8 contracts to be funded through the "Contract renewals" account. Should the Department not adhere to this directive, the Committee intends to adopt a statutory prohibition on using amendment funds for nonamendment activity at the earliest possible opportunity. In addition, the Committee is concerned about the growing need to use amendment money to sustain units in the assisted housing stock. For example, from fiscal 1987 to fiscal 1990, the level of amendment money needed to sustain project reserves in various kinds of assisted housing units has more than doubled. As a result, this demand has reduced the level of funds which could otherwise be used to provide additional incremental units to the assisted housing stock. Therefore, the Committee directs the Department to provide the Committee with a report by March 17, 1990, on this matter. The report should include: (1) a detailed description of the various kinds of amendment money; (2) a 5-year budget projection, beginning with fiscal 1990, on the need for amendment money, using current policy as a basis for estimating this projection; (3) an analysis of the causes for the growth in the uses of amendment money; (4) a

detailed description of how amendment money estimates are determined; and (5) policy options on how best to reduce the need for amendment money without reducing the number of incremental units added to, or existing units in, the assisted housing stock.

Prior to a provision in the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628), State housing agencies and the Federal Government were unable to share savings realized from the refund of specific bonds with a financing adjustment factor. Section 1012(a) of the McKinney Act specified that the States and Federal Government should share equally in such refinancings. The Committee has included bill language, similar to that included by the House, which will prevent these funds from being rescinded. The bill language differs from the House by removing the words "up to" from the text. This will allow the savings to be divided by 50–50 as specified in the McKinney Act.

The Committee is aware that housing program costs have been unnecessarily high due to section 8 payments which have been in excess of area market rates for rental property in certain areas. The Committee directs the Department to investigate and review the section 8 program's procedures for determining market rates and make appropriate changes to ensure the section 8 payments are in line with area market rates.

The Committee is aware of instances where owners of property receiving section 8 assistance have failed to provide adequate maintenance, rehabilitation, and security at the expense of tenants living conditions. The Committee directs the Department to investigate and review contractual agreements and procedures governing assisted housing projects and ensure owners comply with such agreements pertaining to continual maintenance, rehabilitation and security for the benefit of tenants.

The Committee further directs the Department to take such administrative actions as necessary to permit tenants to perform contractual and other services with respect to maintenance and rehabilitation on assisted housing projects.

The Committee has included bill language allowing transfer of up to $50,000,000 from the "Annual contributions for assisted housing" account to the "Salaries and expenses" account to augment administration of assisted housing programs only. This transfer is subject to the standard reprogramming requirements.

Finally, the Committee has included bill language allowing up to $10,000,000 to be transferred from the "Annual contributions for assisted housing" account to the Secretary's discretionary fund for homeownership initiatives, also subject to the standard reprogramming requirements.

SECTION 8 CONTRACT RENEWALS

Appropriations, 1989	$38,712,780
Budget estimate, 1990	667,351,900
House allowance	1,092,112,375
Committee recommendation	1,091,978,475

PROGRAM DESCRIPTION

This program provides continued funding for units affected by contract expirations in 1990. These contracts are loan management contracts, existing certifications, and vouchers. The budget proposed to renew all these contracts with vouchers only.

COMMITTEE RECOMMENDATIONS

Since fiscal year 1990 is the first year when a large number of section 8 renewals will occur, the Committee has created a new account for this purpose. The Committee recommends $1,091,978,475 for the extension of expiring section 8 contracts, representing 42,167 units, in 1990. This amount is $133,900 below the House recommendation. This is $424,626,575 more than the $667,352,000 requested in the budget, but reflects the Department's revised estimates for fiscal year 1990 which were communicated in the Secretary's letter to the Committee of August 2, 1989.

The Committee is troubled by the Department's failure to provide timely and precise data on the actual number of section 8 renewals which will need funding in 1990. The Committee notes, for example, that the Department's current estimates for 1990 require renewal of 80 percent more units than forecast in the original budget estimate. Such a wide fluctuation in data, within a short period of time, reduces the Committee's confidence in the Department's ability to handle the section 8 renewal process properly. Furthermore, it demonstrates the serious inadequacies in the data management systems which are now in use in the Department to estimate the budget estimates for contract renewals.

This situation was made far worse by the failure of the Department to provide timely notification on the full scope of this problem until after the subcommittee had received its 302(b) allocation. This fact has forced the Committee to absorb the added costs of the Department's latest estimates from within the limited resources made available to the subcommittee. While the Committee has reluctantly agreed to fund the Department's revised estimate without the benefit of a Presidential budget amendment, it will not do so in the future. As a result, the Committee wishes to place the Department on notice that should additional funds, in excess of $25,000,000, be needed for contract renewals in 1990, it will not approve a reprogramming of funds for this purpose. Such sums will have to be transmitted through a request for a supplemental appropriations.

In addition, the Committee wishes to express its strong displeasure over the use of $80,000,000—$100,000,000 in 1989 amendment money to extend for 2 years the contracts on 13,320 certificates that were to have expired in 1990. Not only was this action a violation of the Committee's reprogramming guidelines, but also a con-

tradiction of the Department's steadfast commitment to a 5-year renewal period. As a result, the Committee has included bill language requiring that all section 8 contracts be renewed for no less than a 5-year period. The Committee believes that this is the minimally acceptable period to adequately and efficiently fund and administer these contracts.

The Committee also directs the Department not to use any funds within the "Assisted contributions for assisted housing" account, including any funds designated for amendments for the renewing or extending the original contract in lieu of renewing any section 8 contracts. Unless the Department strictly adheres to this directive, the Committee will include a statutory prohibition on such an action at the earliest possible time.

The Committee remains concerned about the accuracy of the Department's current estimates for fiscal year 1991. Therefore, the Committee directs the Department to undertake an immediate review of those estimates by having all HUD field offices verify the data upon which the 1991 estimates are based. The results of this review, and any effect which they had on the 1991 budget estimate, should be submitted simultaneously with the President's 1991 budget.

Finally, the Committee directs the Secretary to submit within 30 days after enactment of this bill, the Department's plan for improving the accuracy of the data management systems used to prepare HUD's contract renewal estimates in time to affect the submission of the 1991 budget.

The following table outlines in detail the Committee's recommendation:

FISCAL YEAR 1990 REFUNDING OF CONTRACT EXPIRATIONS

	Units	Per unit cost	Term	Budget authority
Certificates (October/November) [1]	20,305	$5,100	5	$517,777,500
Vouchers (October) [1]	16,635	5,400	5	449,145,000
Loan management (October) [1]	5,227	4,785	5	125,055,975
Total	42,167			1,091,978,475

[1] Months refer to additional months in fiscal 1991 that need renewal funding in fiscal 1990.

RENTAL REHABILITATION GRANTS

Appropriations, 1989	$150,000,000
Budget estimate, 1990	130,000,000
House allowance	130,000,000
Committee recommendation	130,000,000

PROGRAM DESCRIPTION

The rental rehabilitation grants program is designed to increase the supply of standard rental housing available to lower income families in areas experiencing a shortage of decent rental housing units. The program supports the section 8 voucher program by allowing voucher holders increased rental opportunities.

Rehabilitation subsidies are provided through a one-time, front-end mechanism such as a grant, a deferred payment loan, or a

below market rate interest loan. The program makes it feasible to rehabilitate rental properties for low-income families by providing the difference in what the owner can afford to borrow from a private lending institution and what it actually takes to rehabilitate the property. Unlike other programs, no distinction is made with regard to single and multifamily properties as long as the structures are primarily rental and residential in character. Rental subsidies in the form of housing certificates or vouchers are then used to permit low-income tenants to live in the renovated housing.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending the appropriation of $130,000,000 proposed in the administration's budget. Of this amount, $1,500,000 will be available for technical assistance—the same as last year. In addition to the $130,000,000 recommended, an estimated $20,000,000 should be available from recaptures for a total 1990 program level of $150,000,000, the same as the 1989 enacted level.

The Committee has included bill language extending the Rural Rental Rehabilitation Demonstration Program, established under section 311 of the Housing and Community Development Act of 1987, until September 30, 1991. The 2-year extension of the demonstration requires no new funding and would assist in the improved efficiency of rental rehabilitation fund usage by retaining a larger pool of eligible applicants. Additionally, the Committee is aware that HUD did not publish its final regulations until September 1988, allowing States only 1 year to implement and make use of the demonstration. This program has been a tremendous help in addressing housing needs in States with extensive rural areas and this extension would provide States with the opportunity to continue to assist their rural areas.

RENTAL HOUSING ASSISTANCE PROGRAM

(RESCISSION)

Appropriations, 1989	−$50,000,000
Budget estimate, 1990	−48,000,000
House allowance	−48,000,000
Committee recommendation	−48,000,000

PROGRAM DESCRIPTION

The Rental Housing Assistance Program is authorized by section 236 of the National Housing Act, as amended. Under this program, assistance payments to the mortgage reduce mortgage interest rates to as low as 1 percent, thereby reducing the monthly payment which the owner of a rental or cooperative project is required to pay for principal, interest and the mortgage insurance premium.

The rental assistance payments [RAP] program, authorized by the Housing and Community Development Act of 1974, is designed to aid very low income families in section 236 projects by permitting HUD to provide additional subsidies equal to the difference between the basic rent and up to 30 percent of income for a certain percentage of units.

The 1987 Housing and Community Development Act revised from 90 to 100 percent the Federal support of amendment funding for State-aided projects. The budget proposes, beginning in 1990, to transfer excess rental funds in the rental housing assistance fund to the Treasury instead of the "Flexible subsidy fund (troubled projects)" account.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending the proposed rescission of up to $2,000,000 in annual contract authority as proposed by the administration. This translates into $48,000,000 in budget authority. It is estimated that this amount could be deobligated during 1990 as a result of insurance terminations due to foreclosure or assignment.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

(LIMITATION ON LOANS)

Limitation, 1989	$480,106,000
Budget estimate, 1990:	
(Limitation)	32,000,000
(Appropriations)	77,876,000
House allowance	480,106,000
Committee recommendation	480,106,000

PROGRAM DESCRIPTION

The section 202 program provides direct Federal loans to nonprofit organizations who sponsor the construction and management of housing projects to serve elderly or handicapped families and individuals. The housing projects are designed to provide an assured range of necessary services for the occupants, including health, continuing education, welfare, recreation, counseling, referral, transportation to social services, and means to encourage and assist occupants to use the services and facilities made available. Projects developed under section 202 also carry a section 8 subsidy, which enables the rents of lower-income elderly or handicapped tenants to be reduced to a maximum of 30 percent of their income. Applications under the two programs are processed simultaneously.

Section 162 or the Housing and Community Development Act of 1987 established a separate source to provide rent subsidies to support section 202 loans for handicapped projects. The section 162 funds replace section 8 funds for this purpose. In 1989, Congress provided $355,500,000 of Section 162 funds to support 2,375 units in the separate Housing for Handicapped People Program under the overall section 202 limitation. Approximately $124,500,000 of the total 1989 section 202 loan limitation of $480,00,000 was estimated to be utilized in support of the Housing for Handicapped People Program.

The 1990 budget estimate proposes a new method of financing section 202 projects. Instead of direct Federal loans, nonprofit sponsors would be provided with a credit voucher. Sponsors would use the voucher to obtain a below market interest loan in the private market. The voucher and the below market interest would combine

to yield lenders a market rate of return on the loan. The 1990 budget estimates $77,800,000 of credit subsidy would be required to support $389,400,000 of section 202 loans covering 7,000 units including 4,000 regular section 202 units and 3,000 units under the Housing for Handicapped People Program. Also, the 1990 budget estimates $32,000,000 of loan limitation will be required to provide amendments for projects approved in prior years.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending $480,106,000 as the loan limitation for the elderly and handicapped program to permit financing of 6,375 regular housing units and 2,125 handicapped units under the separate and distinct program for the handicapped authorized in the 1987 housing legislation. This amount is $448,106,000 above the administration's request and the same as the current appropriation.

The Committee has rejected the administration's proposal for a new credit voucher program in 1990 to replace the current direct loans program. The Committee sees no reason to change the current program which has proven to be an effective means to provide badly needed housing for elderly and handicapped Americans.

The Committee concurs with the House in recommending bill language stipulating not less than 250 of the section 202 handicapped units provided be for individuals suffering from AIDS. The Committee does not concur, however, that these units should be targeted exclusively to areas with high incidences of AIDS and a low-vacancy rate for affordable housing.

The Committee also concurs with the House in recommending continuation of language limiting the program to qualified nonprofit sponsors.

The Committee shares the House Committee's concern about the substantial number of section 202 elderly and handicapped units currently in the construction pipeline. Restrictive fair market rents established under the program, coupled with rigid application of the agency's cost containment regulations, have slowed production to a virtual standstill. Section 202 contributes to the Nation's low income housing stock. Regulatory roadblocks should not be used to eliminate housing opportunities for low income older and disabled citizens. The Committee concurs with the House in urging a departmental review of the method by which fair market rents are now determined for section 202 projects. The Committee also joins with the House in calling for a review of the impact of HUD regulations on design flexibility and suitability of housing for older and disabled people. In the event that the Department cannot meet the House Committee's timetable of October 1, 1989, the Committee expects that this study will be completed no later than December 1, 1989.

CONGREGATE SERVICES

Appropriations, 1989	$5,400,000
Budget estimate, 1990	
House allowance	6,000,000
Committee recommendation	5,400,000

PROGRAM DESCRIPTION

The congregate housing services demonstration was authorized by the Housing and Community Development Amendments of 1978 to provide 3- to 5-year contracts to fund services for eligible residents of public housing and section 202 housing for the elderly or handicapped projects. The Housing and Community Development Act of 1987 removed the program's demonstration status and includes a provision requiring a report on the program by September 30, 1990.

COMMITTEE RECOMMENDATION

The Committee recommends $5,400,000 for the congregate services program. This amount is $600,000 below the House allowance and is the same amount as the fiscal year 1989 appropriation. No funds were requested for the program by the administration.

Should more funds be necessary to extend all the grants for the 60 existing projects for a full year, the Committee would be willing to consider a request for additional funds at a later time.

The Committee recognizes that congregate housing can be an effective alternative to institutionalization for many older and disabled residents of federally assisted housing. In order to quantify this need and identify alternate sources of funding, Congress mandated the Department to undertake a thorough evaluation and submit a report no later than September 30, 1988. Such information will be particularly useful to the Committee. Not only has the Department failed to meet the September 30, 1988, deadline, but Congress is still awaiting release of the report 1 year later. The Committee directs the Secretary to comply immediately with this congressional mandate and to forward a copy directly to the Committee.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

Appropriations, 1989	$1,705,508,000
Budget estimate, 1990	1,694,200,000
House allowance	1,769,200,000
Committee recommendation	1,795,600,000

PROGRAM DESCRIPTION

Operating subsidies are provided to public housing agencies [PHA's] and Indian housing authorities [IHA's] to assist in financing the operation of PHA/IHA-owned dwellings in accordance with section 9 of the United States Housing Act of 1937, as amended. Operating subsidies are required to help maintain operating and maintenance services and provide for minimum operating reserves. The performance funding system [PFS] formula is used to calculate

the level of operating subsidy to be provided to each PHA/IHA to operate its owned units.

The calculated subsidy amount under PFS is the difference between the estimate of operating costs minus an estimate of income from rents and other sources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,795,600,000. This is $26,400,000 above the House allowance and $178,092,000 above the budget request for fiscal year 1990. The Committee believes that this increased amount will more adequately address the needs of the public housing authorities [PHA's] by assuming a higher rate of inflation for utility cost. The Committee concurs with the House that this increased amount should more readily satisfy performance funding system [PFS] requirements.

PUBLIC HOUSING MODERNIZATION

Appropriations, 1989	$1,648,930,000
Budget estimate, 1990	1,000,000,000
House allowance	2,002,500,000
Committee recommendation	2,000,000,000

PROGRAM DESCRIPTION

Public housing modernization funds enable PHA's and IHA's to correct the physical condition and upgrade the management and operation of existing public and Indian housing projects and to achieve operating efficiency and economy to assure that such projects continue to be available to serve lower income families. These activities involve alterations, additions, demolition, or rehabilitation of existing structures, replacement of nonexpendable equipment, and improving the management and operation of such projects to assure that they continue to be available to serve lower income families.

COMMITTEE RECOMMENDATION

In accordance with its emphasis on public housing modernization, the Committee recommends that $2,000,000,000 be provided for the modernization program which is $2,500,000 less than the House recommendation and $1,000,000,000 more than the budget request. Up to 20 percent of this amount may be used for the major reconstruction of public housing projects.

The Committee has included bill language earmarking $2,500,000 for technical assistance for tenant management councils within the "Public housing modernization" account.

HOUSING COUNSELING ASSISTANCE

Appropriations, 1989	$3,500,000
Budget estimate, 1990	
House allowance	3,500,000
Committee recommendation	3,500,000

PROGRAM DESCRIPTION

Under section 106(a) of the Housing and Urban Development Act of 1968, as amended, the Department has been authorized to contract with public and private agencies to provide counseling and advice to tenants and homeowners with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and in meeting the responsibilities of tenancy or homeownership. The Housing and Community Development Act of 1987 amended the 1968 act by adding a new program—emergency homeownership counseling (section 106(c))—which permits counseling assistance to all homeowners. In 1988, the Department funded 200 counseling agencies providing services to 33,600 clients.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending an appropriation of $3,500,000 for housing counseling assistance in fiscal year 1990. This amount is the same as the fiscal year 1989 appropriation. The administration requested no funds for fiscal year 1990 and has proposed termination of the program.

FLEXIBLE SUBSIDY FUND

PROGRAM DESCRIPTION

The Secretary provides payments to owners of certain HUD-insured or HUD-held financially troubled multifamily subsidized housing projects in order to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low- and moderate-income tenants. These payments are designed to fund deferred maintenance and replacement reserves, and operating deficits where owners can demonstrate to the Department that projects are well managed or that improvements in management will be made, allowing the projects to become self-sustaining.

Projects eligible for flexible subsidy assistance include those which are subsidized under the section 236, section 221(d)(3) below market interest rate, and rent supplement programs, and have mortgages insured or held by the Department. Non-HUD-insured projects developed by State agencies and receiving assistance under one of the aforementioned programs also are eligible.

The flexible subsidy fund (formerly the troubled projects operating subsidy program) was established by the Housing and Community Development Act of 1987. The act expanded funding eligibility to include projects assisted under section 23 of the U.S. Housing Act of 1937 and certain projects constructed under section 202 of the Housing Act of 1959. The 1987 act was amended by the Home-

less Assistance Amendments Act of 1988. The 1988 act requires use of flexible subsidy funds for major capital improvements, in total, of not less than $30,000,000 or 40 percent (whichever is less) of the amount available. The new program will be available to the same class of projects which are now eligible for flexible subsidies.

The administration's 1990 budget proposes ending the practice of funding the program by means of transferring excess rental receipts from the rental housing assistance fund to the flexible subsidy fund. The budget proposes no additional transfers in 1990. Rather, the Department requests an appropriation of $35,000,000 to fund 1990 activity. The excess rental receipts would be transferred to the general fund of the Treasury beginning in 1990 and thereafter.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in rejecting the administration's proposal to transfer excess rental receipts from the rental housing assistance fund to the general fund in 1990. As a consequence, an estimated $50,000,000 in collections from the rental housing assistance fund will be available in fiscal year 1990 in addition to the $38,695,000 expected to be carried into 1990 making a total of $88,695,000 within the flexible subsidy fund available for troubled projects operatifg subsidies.

FEDERAL HGUSIFG ADMINISTRATION FUND

Appropriations, 1989	$237,720,000
Budget estimate, 1990	350,093,000
House allowance	350,093,000
Committee recommendation	350,093,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activities of about 40 HUD mortgage/loan insurance programs, including coinsurance, which are grouped into the Mutual Mortgage Insurance Fund, Cooperative Management Housing Insurance Fund, General Insurance Fund, and the Special Risk Insurance Fund.

The appropriation reimburses the FHA fund for losses sustained by the Special Risk Insurance Fund and the General Insurance Fund. These losses are largely attributable to the sale of HUD-acquired properties and the liquidation of assigned mortgages. The General Insurance Fund provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, housing for the elderly, land development, group practice medical facilities, and nonprofit hospitals. The Special Risk Insurance Fund provides mortgage insurance on behalf of mortgagors eligible for interest reduction payments who otherwise would not be eligible for mortgage insurance; insurance on mortgages covering experimental housing where strict adherence to State or local building regulations is not observed; and insurance for high-risk mortgagors who normally would not be eligible for mortgage insurance.

The temporary mortgage assistance payments [TMAP] program is designed to prevent precipitous foreclosure by helping insured homeowners who have experienced temporary financial difficulties and cannot make their full monthly mortgage payments. Under the TMAP program, HUD makes monthly payments on behalf of single family mortgagors who are at least 3 months in arrears as a result of economic reversals which temporarily prevent the mortgagors from making up their delinquency.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending the budget request of $350,093,000 to fund unrestored losses to the Federal Housing Administration fund. These losses were incurred in 1988 from the liquidation of assigned mortgages and the sale of HUD-owned properties.

The appropriation provides $92,965,000 for the special risk insurance fund as well as $257,128,000 for the general insurance fund.

The Committee proposes a 1990 FHA mortgage and loan insurance commitment limitation of $75,000,000,000. This is $8,000,000,000 above the House allowance and the budget request. This amount reflects the estimates of increased activity that would result from the 1-year increase in the first-time home loan mortgage credit limits proposed in the bill.

NONPROFIT SPONSOR ASSISTANCE

(LIMITATION ON LOANS)

Appropriations, 1989	$960,000
Budget estimate, 1990	910,000
House allowance	1,100,000
Committee recommendation	1,100,000

PROGRAM DESCRIPTION

Nonprofit assistance loans as authorized by the Housing and Urban Development Act of 1968 provide nonprofit sponsors of section 202 elderly or handicapped housing with startup funds. The loans are interest free and are used to cover the planning costs associated with constructing or rehabilitating section 202 units. Startup costs include such items as preliminary surveys and market analyses, preliminary site engineering, architectural fees, and expenses related to site control.

Each loan can cover no more than 80 percent of total eligible startup costs up to a maximum of $50,000 for each project. The sponsor funds the remaining costs. These startup costs are subsequently repaid from the first construction cost advance under the section 202 direct loan program.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending a loan limitation of $1,100,000 for nonprofit sponsor assistance in fiscal year 1990. This is $190,000 above the administration's request and

$140,000 above the 1989 level, but consistent with the recommended level in the bill for the 202 program.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

(LIMITATION ON GUARANTEED LOANS)

Appropriations, 1989	$144,000,000,000
Budget estimate, 1990	75,000,000,000
House allowance	75,000,000,000
Committee recommendation	83,000,000,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust or pool composed of mortgages that are guaranteed by the Federal Housing Administration, the Farmers Home Administration, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by a full faith and credit of the United States.

COMMITTEE RECOMMENDATION

The Committee recommends a GNMA limitation on loan guarantee commitments of $83,000,000,000 in fiscal year 1990. This is $8,000,000,000 above the House allowance and the budget request. This is $61,000,000,000 below the fiscal year 1989 level. This increase reflects the expected increase in activity resulting from the Committee's recommended change in FHA mortgage eligibility standards.

HOMELESS ASSISTANCE

PROGRAM OVERVIEW

The Committee has created a new program area within the 1990 HUD appropriations entitled "Homeless assistance." This area contains the four HUD accounts which provide assistance for homeless individuals. The Interagency Council on the Homeless has been moved to title III of the bill and is now funded as an independent agency consistent with its enabling legislation. The Committee has taken this step for two reasons: first, to indicate the significant level of program activity and resources which the Committee has provided for this program; second, to differentiate homeless assistance from those programs specifically designed to provide permanent housing to low-income Americans. While the Committee commends the President and the Department for seeking additional funds for the homeless in 1990, the Committee believes that such

assistance is not an alternative for decent, affordable housing for the 4 to 10 million American families who currently either live in substandard housing or pay more than 50 percent of their monthly income for rent. Therefore, the Committee strongly urges the administration to seek additional legislation and funding for housing assistance that will in turn reduce the number of individuals and families who depend on stopgap assistance to provide them with adequate shelter.

EMERGENCY SHELTER GRANTS

Appropriations, 1989	$46,500,000
Budget estimate, 1990	125,000,000
House allowance	125,000,000
Committee recommendation	75,000,000

PROGRAM DESCRIPTION

The Emergency Shelter Grants Program is authorized by the Homeless Housing Act of 1986 and the Stewart B. McKinney Homeless Assistance Act, as amended. The program is designed to assist communities in providing temporary emergency shelter for the homeless. Grants may be used to renovate, rehabilitate, or convert buildings to be used as shelters. They may also be used to operate emergency shelters and provide essential social services. Grantees are required to provide matching contributions to participate in the program.

COMMITTEE RECOMMENDATION

The Committee recommends $75,000,000 for emergency shelter grants in fiscal year 1990. This is $50,000,000 less than the House allowance and the budget request but an increase of $28,500,000, or almost 54 percent, above the 1989 appropriation.

The Committee believes this program offers important resources for the homeless. However, programs and resources for the homeless should place an emphasis on housing persons on a permanent basis. Therefore, the Committee has increased the amount of funding to the Transitional and Supportive Housing Demonstration Program and the Moderate Rehabilitation, Single Room Occupancy Program with only a modest increase to the Emergency Shelter Grants Program.

TRANSITIONAL AND SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

Appropriations, 1989	$80,000,000
Budget estimate, 1990	105,000,000
House allowance	105,000,000
Committee recommendation	130,000,000

PROGRAM DESCRIPTION

The Supportive Housing Demonstration Program is authorized by the Homeless Housing Act of 1986 and the Stewart B. McKinney Homeless Assistance Act as amended. It is designed to develop innovative approaches for providing transitional housing and supportive services for homeless persons, focusing on those capable of

moving into independent living. It targets funds to housing assistance for the handicapped, families and deinstitutionalized individuals. Demonstrations funded under the program are intended to determine the cost of acquiring and rehabilitating, or leasing, existing structures for homeless housing as well as the cost of operating such housing and providing supportive services. These demonstrations should illustrate the advantages associated with providing this type of housing and supportive services to the homeless.

COMMITTEE RECOMMENDATION

The Committee recommends $130,000,000 for transitional and supportive housing in fiscal year 1990. This is $25,000,000 above the House allowance and the budget request. This amount is an increase of $50,000,000 above the 1989 appropriation. The Committee has provided this increase out of a belief that more attention and resources needs to be targeted to providing permanent housing for homeless individuals and families.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Appropriations, 1989	
Budget estimate, 1990	$11,000,000
House allowance	11,000,000
Committee recommendation	11,000,000

PROGRAM DESCRIPTION

The Supplemental Assistance for Facilities to Assist the Homeless Program is authorized by the Stewart B. McKinney Homeless Assistance Act, as amended. The program is designed to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs to the homeless.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending $11,000,000 for supplemental assistance for facilities to assist the homeless. This is the same as the administration's request. No funds were appropriated for this program in fiscal year 1989.

SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY

Appropriations, 1989	$45,018,560
Budget estimate, 1990	50,000,000
House allowance	50,000,000
Committee recommendation	75,000,000

PROGRAM DESCRIPTION

The Moderate Rehabilitation Single Room Occupancy Program is the only program included in the McKinney Homeless Assistance Act which provides permanent housing for the homeless. Furthermore, this program serves single individuals, the largest segment of the homeless population, and addresses the large reduction in available low-cost housing of this type in the private sector.

COMMITTEE RECOMMENDATION

The Committee recommends $75,000,000 for the Moderate Rehabilitation Single Room Occupancy Program for fiscal year 1990. This amount is $25,000,000 above the budget request and the House allowance. This is an increase of $29,981,440 above the fiscal year 1989 appropriation. These funds will provide an additional 2,044 incremental units to the Nation's assisted housing stock specifically for homeless individuals.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Appropriations, 1989	$2,650,000,000
By transfer	(350,000,000)
Budget estimate, 1990	2,744,000,000
By transfer	(136,000,000)
House allowance	2,950,000,000
By transfer	(50,000,000)
Committee recommendation	2,950,000,000
By transfer	(50,000,000)

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 60 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting a designated amount for the Secretary's discretionary fund.

Beginning in 1990, the Department is proposing two new initiatives to be funded within an expanded Secretary's discretionary fund. One is a $50,000,000 proposal to address the need of the homeless, particularly families with children and the mentally ill. The other is a homeownership opportunity initiative for lower income persons, for which $44,000,000 is proposed.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending a program level of $3,000,000,000 for the community development block grant [CDBG] program in fiscal year 1990. This level will include an appropriation of $2,950,000,000 and a transfer of $50,000,000 re-

captured from the urban development action grant [UDAG] funds. This net increase is $120,000,000 above the budget request and the same as the fiscal year 1989 level.

The Committee has proposed an allowance of $144,000,000 for the continuation of the section 108 Loan Guarantee Program. This is $98,000,000 above both the House allowance and the budget request, and the same as the fiscal 1989 enacted level. The Committee believes this is the minimally acceptable level for an effective section 108 program.

The Committee recommends that $64,600,000 be made available for the Secretary's discretionary fund in fiscal year 1990. This amount is $104,400,000 below the budget request and $10,400,000 below the House allowance. The Committee concurs with the House in recommending the following adjustments to the administration's request:

—$50,000,000 from the proposed new homeless program and;

—$44,000,000 from the proposed homeownership program.

The Committee recommends the following adjustments to the administration's request. All of these projects must meet one of the three national objectives set forth by Congress. These requirements specify that a project must benefit low- and moderate-income persons, aid in the prevention and elimination of slums and blight, or must meet urgent community development needs as described in the HUD regulations.

$2,000,000 for clearing of the abandoned Morrell meat packaging site in Ottumwa, IA.

$1,200,000 for the infrastructure development of Hawaiian home lands. The Committee includes bill language clarifying that the Hawaii State Department of Hawaiian Home Lands is eligible to receive a special project grant for infrastructure development.

$500,000 for capital expansion of the Covenant House in New Orleans, LA.

$1,200,000 for the planning/design, site preparation, and construction of outdoor public spaces for the Newark, NJ, Performing Arts Center.

$200,000 for the National Association for Southern Poor.

$1,000,000 for a Utah revolving loan fund pilot program in the cities of Provo and Orem, UT.

$320,000 for the renovation, furnishing, and improvement of eight units of public housing for use in the Omaha infant mortality project.

$225,000 for the acquisition and rehabilitation of a permanent facility for the Room in the Inn Homeless Shelter in Chattanooga, TN.

$1,200,000 for the economic revitalization of the King Street area of downtown Charleston, SC.

$1,200,000 for the purchase and renovation of the Northgate Apartments in Burlington, VT.

$510,000 for the Dayton economic development downtown revitalization plan in Dayton, WA.

$400,000 to fill in the collapsing Steele Street tunnel in Salisbury, NC.

$800,000 in matching funds for a demonstration project for low income and reconditioned housing for Chattanooga, TN.

$180,000 to complete a bridge project in Leake County, MS.

$1,300,000 to assist two Hamakua coast sugarcane mills in Hawaii which are suffering economic hardship. This funding will aid in job retention of agricultural workers.

$249,000 for the upgrading of the Sharkey-Issaquena Community Hospital in Rolling Fork, MS.

$1,250,000 for the acquisition and conversion of a building to provide educational, training, and recreational opportunities for the disabled community in Omaha, NE.

$350,000 for drug elimination activities for the Seattle housing authority in Seattle, WA.

The Committee has included bill language to fund a temporary agreement between the communities of Parshall and New Town, ND, and the Fort Berthold Indian Reservation Housing Authority for $16,000.

The Committee has included bill language for infrastructure development in West Valley City, UT, for $500,000.

The Committee directs the Secretary of Housing and Urban Development to submit a report to the Committee 30 days after this bill is enacted outlining the eligibility of a Polish American Cultural Center to be established in Philadelphia and how discretionary funds could be used to accomplish renovation of this center. This report is being requested because the Committee recognizes that Polish Americans have made a valuable contribution to the growth of this country both culturally and economically.

The Committee does not concur with the following House adjustments to the administration's request:

$18,094,000 for technical assistance.

$3,000,000 for a special project grant for ground subsidence problems in the Roxborough and Logan sections of Philadelphia.

$750,000 to continue the district heating and cooling program.

$450,000 for integrated urban data base demonstrations.

$186,000 for the county courthouse in Newport, WA.

$390,000 for the library/recreation center on Mackinac Island, MI.

$270,000 for renovation of the Alpine Regional Education Center in Otsego County, MI.

$440,000 for a homeless demonstration project in Berkshire County, MA.

The Committee recommends that $2,000,000 of the community development block grant be utilized to continue funding for the neighborhood development demonstration under section 123 of the Housing and Urban-Rural Recovery Act of 1983. Based on the extensive involvement of neighborhood organizations, the Committee believes additional funding is warranted.

The Committee recommends that $5,000,000 be set aside out of the community development block grant for the continuation of the child care demonstration program involving public housing tenants.

REHABILITATION LOAN FUND

PROGRAM DESCRIPTION

Section 312 of the Housing Act of 1964, as amended, authorizes the Secretary to make loans for the rehabilitation of single family and multifamily residential properties and nonresidential properties in federally aided community development grant, urban homesteading, urban renewal and code enforcement areas certified by local governments. The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181) prohibits funding priority based on (1) type of dwelling unit, or (2) the receipt of assistance for housing or community development, other than assistance for local homesteading programs.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending the continuation of the section 312 rehabilitation loan program during the fiscal year 1990 although the administration has proposed its termination. The Committee has included bill language continuing the loan program using repayments for fiscal year 1990. According to the Department, between $85,000,000 and $93,000,000 will be available for new loans in 1990 by continuing the program using repayments. The Committee is extremely supportive of the loan program because it is a significant resource for rehabilitation by homeowners and used for urban homesteading. The Committee does note, however, that the Inspector General has indicated that problems may exist with loans made in fiscal year 1988. In several cases, obligations made near the end of the fiscal year were approved prematurely without all of the requirements for valid loan approval being satisfied. The Committee is concerned that funds may have been obligated too quickly, resulting in a less than thorough review of the loans which were made. Therefore, HUD is directed to notify the Committee of any loans made over the amount of $1,000,000. In addition, the Committee is to be notified of any loans made in the last 30 days of the fiscal year exceeding the amount of $200,000. In its notification, HUD must certify that all requirements for valid loan approval have been met.

URBAN HOMESTEADING

Appropriations, 1989	$13,200,000
Budget estimate, 1990	12,000,000
House allowance	12,000,000
Committee recommendation	13,200,000

PROGRAM DESCRIPTION

Section 810 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to transfer, without payment, to a unit of general local government, State or public agency, any HUD-owned, unoccupied, one- to four-family residences for use in an approved urban homesteading program. Section 810 also authorizes the Secretary of Veterans Affairs and the Secretary

of Agriculture to transfer their unoccupied, one- to four-family residences for use in HUD-approved urban homesteading programs.

The funds appropriated for urban homesteading reimburse the Federal Housing Administration Fund or the Rehabilitation Loan Fund for HUD-owned properties, the Secretary of Veterans Affairs for VA properties, and the Secretary of Agriculture for Farmers Home Administration [FmHA] properties used by approved homesteading localities. The reimbursements are for the fair market value of each property.

COMMITTEE RECOMMENDATION

The Committee recommends $13,200,000 for urban homesteading for fiscal year 1990. This amount is $1,200,000 above the House allowance and the budget request and the same as the fiscal year 1989 level. This will permit the transfer of at least 665 single family Federal properties in 1990, including VA and Farmers Home Administration properties.

Policy Development and Research

RESEARCH AND TECHNOLOGY

Appropriations, 1989	$17,200,000
Budget estimate, 1990	21,400,000
House allowance	21,400,000
Committee recommendation	21,000,000

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, studies, testing, and demonstrations relating to the Department's mission and programs. These functions are carried out internally and through grants to and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs focus on ways to improve the efficiency, effectiveness, and equity of HUD programs and identify methods to achieve cost reductions.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $21,000,000. This is $400,000 less than the House allowance and the budget request. This amount is an increase of $3,800,000 over the fiscal year 1989 appropriation.

The Committee concurs with the House in directing HUD to make available $500,000 within the funds provided for lead-based paint testing and abatement programs. Also, the Committee recognizes that the masonry industry plays an important role in meeting the needs of our housing market. Therefore, within available funds, the Committee directs HUD to provide $1,000,000 for the establishment of a regional training program and a national masonry center to focus on research for the masonry industry. Finally, the

Committee directs HUD to target $500,000 within funds provided for the purpose of funding research/technical assistance projects specific to expanding the availability of housing for persons with disabilities. In light of recent changes, including the revisions made to the section 202 program through the HCD Act of 1987 (Public Law 100–242) and the passage of the Fair Housing Amendments Act of 1988 (Public Law 100–430), it is critical that such efforts continue to be made.

The Committee does not concur with the House in recommending $1,000,000 to be earmarked for housing technology research.

Fair Housing and Equal Opportunity

FAIR HOUSING ACTIVITIES

Appropriations, 1989	$10,000,000
Budget estimate, 1990	12,753,000
House allowance	12,753,000
Committee recommendation	12,753,000

PROGRAM DESCRIPTION

The fair housing activities apropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies. The program also provides assistance to community housing resource boards, consisting of representatives of community organizations throughout a metropolitan area, which enhance the ability of the Department to carry out its voluntary compliance and enforcement program.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987. This new initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities. This new program will complement the Department's Fair Housing Assistance Program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $12,753,000 for fair housing activities in fiscal 1990, the same level as both the House allowance and the budget request. This will continue activities for both the Fair Housing Assistance Program and the Fair Housing Initiatives Program as requested in the President's budget.

The Committee has included bill language extending the Fair Housing Initiatives Program for 1 year. The extension will make clear the Department's ability to provide for the orderly obligation of funds over the 2-year period of their availability. The deadline

date for the report on the testing guidelines remains at March 30, 1990.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Total
Appropriations, 1989	$335,081,000	$381,528,000	$716,609,000
Budget estimate, 1990	341,252,000	355,846,000	697,098,000
House allowance	341,252,000	355,846,000	697,098,000
Committee recommendation	341,252,000	405,693,000	746,945,000

PROGRAM DESCRIPTION

The appropriation proposed by the Committee would finance all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development, including the following activities:

1. *Housing and mortgage credit programs.*—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

2. *Community planning and development programs.*—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

3. *Equal opportunity and research programs.*—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and executive orders and the administration of research programs and demonstrations.

4. *Departmental management, legal and audit services.*—This activity includes a variety of general functions required for the Department's overall administration and management. These include the Office of the Secretary and Office of General Counsel, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services. In 1989 and prior years, this activity also included the Office of Inspector General. The 1990 request proposes funding that Office with a separate appropriation.

5. *Field direction and administration.*—This activity includes salaries and expenses for the regional administrators, area office managers, and their staffs who are responsible for the direction, supervision, and performance of the Department's field offices, as well as administration support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends $341,252,000, in direct appropriations plus $405,693,000 from various funds of the Federal Housing

Administration, for salaries and expenses of the Department of Hgusifg and Urban Development in 1990. This amount, together with an estimated $7,953,000 in transfers from other sources, will provide a total of $754,898,000 for management of HUD, an increase of $49,847,000 above the House-passed level and the budget estimate.

HUD ADMINISTRATIVE REFORM

The Secretary of the Department of Housifg and Urban Development, since the start of his tenure early this year, has been confronted with a steady steam of reports and revelations detailing gross abuse of Federal housing and development programs. The Secretary has repeatedly stated his commitment to reform the operations of the Department and has initiated a number of laudatory actions to curb the most serious abuses discovered to date. For example, the Department has imposed a moratorium on several programs such as the FHA 223(f) coinsurance program and the section 232 retirement service center program, and canceled others such as title X, where widespread fraud has been discovered.

The Committee fully supports the Secretary's vigorous and forthright attack on past practices and operations of the Department which have squandered the very limited budgetary resources available for helping poor families obtain adequate shelter. It is a matter of concern, however, that simple termination of departmental activities unfairly penalize legitimate project sponsors and deny program beneficiaries urgently needed assistance.

The Committee, therefore, believes it imperative that the Department be provided sufficient resources to expedite its review of program administration, and most importantly, adequate levels of funding and support to implement reforms in program and financial management.

During the prior 8 years the Department repeatedly proposed to reduce staffing and administrative support as a means of constraining programmatic assistance levels. As has been demonstrated by the numerous allegations of fraud and mismanagement, this tactic also promoted waste and inefficient use of the limited funds that were made available.

With respect to the administration of Federal payment programs such as those under the "Assisted housing" account, the Committee proposes restoration of staffing reductions included in the President's budget request. Furthermore, the Committee has provided discretionary authority for the Secretary to transfer an additional $5,000,000 from that account to the "Administrative expenses" account should further augmentation prove necessary to assure adequate management of those activities.

As later outlined in this report, the Committee is recommending a substantial increase for the Office of the Inspector General to provide more comprehensive monitoring of program administration to assure that adequate reforms are being implemented and to identify additional potential problems as they arise.

Finally, with respect to the loan guarantee and insurance functions of the Department, especially those under the jurisdiction of the Federal Housing Administration [FHA], the Committee is espe-

cially concerned that aggressive reforms be implemented to reduce the substantial exposure of the Government for losses flowing from both fraud and inadequate program administration. This is especially critical since problems in program administration frequently become appropriations issues long after the responsible instances of mismanagement have occurred.

The Committee applauds the new FHA Commissioner's proposals to modernize and improve program administration and monitoring of FHA activities. As discussed later in this report, the Committee is recommending that the FHA home mortgage size limit for first-time homebuyers be set at 95 percent of the area's median price for fiscal year 1990. While the Committee has proposed this action to permit moderate-income families in high cost areas to obtain FHA assistance and to strengthen the FHA financial position with greater geographical diversity, it also increases available revenue which can be devoted for improvement of program administration. To this end, the Committee recommends that the transfer from the FHA fund to the "Management and administration" account be increased to $405,693,000. This is an increase of $49,847,000 over the budget estimate and the House allowance.

The Committee expects the Department to move expeditiously in making available these funds for expanded personnel training, modernizing equipment and management techniques, and to augment staffing levels. While relatively modest in comparison to the amounts of contingent liability involved, these investments in improved program administration are critical to protecting the financial position of the FHA fund.

The Committee expects the staffing changes to be allocated as shown in the following table:

STAFF-YEAR SUMMARY

	1989 enacted	1990			
		Agency request	House recommendation	Senate recommendation	Change from Agency request
Housing:					
Washington	544	544	NA	574	+30
Field	5,685	5,585	NA	6,067	+482
Public and Indian housing:					
Washington	144	148	144	158	+10
Field	1,224	948	1,224	1,244	+296
Government national mortgage: Washington	56	61	NA	61	.....
Community planning and development:					
Washington	258	233	NA	274	+41
Field	829	780	NA	912	+132
Policy development and research: Washington	132	145	NA	152	+7
Fair housing and equal opportunity:					
Washington	137	170	NA	170	.....
Field	507	581	NA	581	.....
Departmental management: Washington	138	152	NA	152	.....
Office of General Counsel: Washington	245	262	NA	259	+17
Field legal services: Field	271	299	NA	299	.....
Office of Inspector General: Washington/field	495	495	495	528	+33
Administration and staff services: Washington	1,118	1,128	NA	1,188	+60
Working capital fund: Washington	284	284	NA	284	.....
Field decision and operational support: Field	533	528	NA	533	+5

STAFF-YEAR SUMMARY—Continued

	1989 enacted	1990			
		Agency request	House recommendation	Senate recommendation	Change from Agency request
Field administration: Field	877	872	NA	920	+48
Total	13,477	13,215	NA	[1] 14,351	+1,134

[1] Numbers do not add due to rounding.

NA: Not available.

Office of Inspector General

(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Total
Appropriations, 1989			([1])
Budget estimate, 1990	$22,681,000	$6,431,000	$29,112,000
House allowance	22,681,000	6,431,000	29,112,000
Committee recommendation	24,481,000	6,584,000	31,065,000

[1] Previously funded in the salaries and expenses appropriation.

PROGRAM DESCRIPTION

This is a new appropriation which would finance all salaries and related expenses associated with the operation of the Office of Inspector General. Funds for this purpose were previously included under "Salaries and expenses."

COMMITTEE RECOMMENDATIONS

The Committee recommends $24,481,000 in direct appropriations plus $6,584,000 from various funds of the Federal Housing Administration for salaries and expenses of the Office of Inspector General in 1990. This amount, together with an estimated $500,000 in transfers from other sources, will provide a total of $1,953,000 above the House-passed level and an increase of $1,953,000 above the administration's request. This should provide the Office of Inspector General with sufficient funds for 528 FTE's. This reflects the Office's additional workload resulting from the HUD scandals.

ADMINISTRATIVE PROVISIONS

The Committee does not concur with the House in providing bill language permitting the city of Hartford, CT, to retain certain proceeds from urban renewal land disposition sales for use in accordance with CDBG specifications. Also, the Committee does not concur with the House including language forgiving repayment of certain interest on public housing development funds for the city of Pittsburgh, PA.

The Committee does concur with the House in providing bill language that would permit the city of College Park, MD, to retain

funds from the financial closeout of urban of urban renewal projects for use in accordance with CDBG specifications.

The Committee also concurs with the House bill language to repeal section 404 of the general provisions in the Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors of Act of 1989. Repeal of this provision is necessary to permit expeditious and effective response to drug-related criminal activity in public housing units.

The Committee has included bill language transferring $450,000 from the residual receipts reserve of Bay View Tower housing project to the Seattle Housing Authority to be used for elderly health care services, subject to the availability of project reserves.

The Committee has recommended bill language that would raise the FHA first-time home loan mortgage credit limits in 1990 to 95 percent of an area's median home price. The Committee has also provided additional funds under the "Management and administration" account for the Department to hire additional staff to oversee and properly implement this program.

Under current law the maximum loan on a one-family home is the lesser of 95 percent of an area's median home price or $101,250. The Committee believes this limitation is unduly restrictive of FHA eligibility since the median price of homes available in many metropolitan areas of the Nation exceeds FHA's cap by substantial margins. While FHA assistance is still available to families purchasing lower cost homes in these areas, the growing disparity between market realities and previously established ceilings on eligibility are distorting the geographical distribution of the FHA loan portfolio.

For example, average home prices in metropolitan areas of California exceed $200,000, levels nearly matched by major cities in the Northeast. Since FHA cannot guarantee any single family mortgage in excess of $101,250, first time home purchasers must either accumulate an enormous downpayment, or forego FHA assistance.

The Committee believes that this cap on FHA eligibility arbitrarily denies program benefits to families who live in these high cost areas, and who, perhaps, are the most in need of this form of limited Federal assistance. Moreover, this limitation on participation in the FHA single-family home mortgage program has the effect of geographically focusing the FHA portfolio. This is not prudent financial management, since a broad base of assets acts to offset periodic regional economic performance and lends stability to a national program.

The Committee recommends an amendment to the administrative provision contained in last year's appropriations act which prohibited the implementation or enforcement of regulations promulgated by the Department pursuant to the Lead-Based Paint Poisoning Prevention Act, pending issuance of comprehensive technical guidelines on testing, abatement techniques, cleanup, and postabatement standards. Subsequent to the publication of those regulations by the Department in June 1988, legislation was enacted which made substantial revisions in a number of material aspects. The Committee's recommended action requires the Department to incorporate these changes prior to implementing the regulations.

In addition, the Committee is concerned over reports that issuance of the technical guidelines and the implementation of June 1988 regulations may have significant adverse effect on operations of the public housing modernization program. The most serious concern is that by formalizing lead abatement standards, virtually all modernization activities may be halted pending clarification of liability issues. This is a substantial concern since such comprehensive toxic hazard abatement goals are unprecedented in nature, and there is no past history or experience of an analogous undertaking from which to draw assurances of the viability of contracting and subcontracting procedures as well as actuarial data from which to determine liability insurance requirements or cost. The amendment proposed by the Committee, therefore, requires the Secretary to take these concerns into consideration prior to issuance of the regulations since effective operations of the modernization program are necessary for any progress on lead-based paint abatement in public housing.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 1989	$15,085,000
Budget estimate, 1990	14,507,000
House allowance	15,000,000
Committee recommendation	14,507,000

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military cemetery memorials on foreign soil; 14 monuments and memorials not a part of the cemeteries; and 2 bronze tablets. In addition, the Commission administers four large memorials on U.S. soil. It is presently charged with erecting a Korean war veterans memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $14,507,000 for the American Battle Monuments Commission. This is the same as the administration's request, $493,000 less than the House allowance, and a decrease of $578,000 below the fiscal year 1989 appropriation. The Committee has added bill language that permits these funds to remain available until expended.

The recommended budget provides $500,000 for the Federal share for construction of the Korean War Memorial. The Committee wishes to express its support for the Commission's efforts to raise funds for the design, maintenance, and construction costs of the Memorial. To date the Commission has raised over one-half of the entire cost of construction and expects to receive the balance by mid-1990. The Committee urges the Commission to do everything it can to meet this deadline and directs the Commission to keep the Committee apprised of its progress by submitting a report by January 1990.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 1989	$34,500,000
Budget estimate, 1990	33,479,000
House allowance	35,500,000
Committee recommendation	35,700,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

The 1981 amendments to the Consumer Product Safety Act [CPSA] require the Commission to analyze costs and benefits of proposed rules, consider the protection afforded by existing voluntary standards and voluntary standards which could be developed, and examine all reasonable alternatives to mandatory requirements before proposing standards and major regulations, and again before issuing any such rule on a final basis.

To meet its obligations under the Consumer Product Safety Act and the other legislative mandates listed above, the Commission has developed a set of programs which address specific product hazards.

COMMITTEE RECOMMENDATION

The Committee recommends a budget of $35,700,000 for the activities of the Consumer Product Safety Commission. This is $2,200,000 more than the administration's request, $1,200,000 more than the fiscal year 1989 budget, and $200,000 more than the House allowance.

The Committee understands that approximately $1,000,000 is required to cover the January 1990 pay raise. Of the remaining $1,200,000 increase, priority is to be given to restoring hazard contracts, which were eliminated by the administration in the budget request, and to enforcing the all-terrain vehicle consent decree.

The Committee directs that the Commission prepare a report to the Committee within 30 days of enactment of the appropriations act, outlining how it plans to obligate the additional funds.

The Committee is concerned that the administration has not appointed a Chairman of the Consumer Product Safety Commission. This post has been vacant for the better part of the calendar year, leaving the Commission without a quorum and thus severely limiting its effectiveness. Therefore, the Committee urges that the administration appoint a Chairman in an expeditious manner.

The Committee concurs with the House in deleting bill language requested by the administration permitting the CPSC Chairman to exercise all authority vested in the Commission pending reauthorization.

U.S. Court of Veterans Appeals

SALARIES AND EXPENSES

Appropriations, 1989	$3,100,000
Budget estimate, 1990	1,462,000
House allowance	3,000,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The Court of Veterans Appeals was established by the Veterans Benefits Administration Adjudication Procedure and Judicial Review Act. This court will have the authority to overturn VA findings of fact that it concludes are clearly erroneous, as well as VA regulations or interpretations of law.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending an appropriation of $3,000,000. This is $1,538,000 more than the administration's request and $1,000,000 less than the fiscal year 1989 appropriation.

The Committee understands that a $3,000,000 appropriation may fall short of what is required for the court's operation in fiscal year 1990. However, because the administration failed to present a budget justification for the Court of Veterans Appeals to the Committees on Appropriations, the Committee has recommended a budget which should provide the bare minimum for the operation of the court.

The Committee directs that the court submit its fiscal year 1990 operating plan within 30 days of enactment of the appropriations act.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 1989	$13,195,000
Budget estimate, 1990	12,569,000
House allowance	12,569,000
Committee recommendation	12,569,000

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 1988, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 224,253 persons and comprised a total of approximately 628 acres. There were 3,121 interments and 1,223 inurnments in fiscal year 1988; 3,250 interments and 1,300 inurnments are estimated for the current fiscal year; and 3,400 interments and 1,350 inurnments for fiscal year 1990.

COMMITTEE RECOMMENDATION

The Committee concurs with the House and the administration in recommending an appropriation of $12,569,000 for Army cemeterial expenses. This is a decrease of $626,000 below the fiscal year 1989 level.

DEPARTMENT OF DEFENSE—MILITARY

SPACE SHUTTLE ACTIVITIES, U.S. AIR FORCE

Appropriations, 1989	
Budget estimate, 1990	
House allowance	
Committee recommendation	$217,000,000

PROGRAM DESCRIPTION

In fiscal year 1990, the space shuttle will have five of its nine flights manifested partially or exclusively for Department of Defense payloads. The current DOD reimbursement rate for flying on the shuttle is approximately $70,000,000 per flight, the same reimbursement rate on all pre-*Challenger* shuttle flights.

COMMITTEE RECOMMENDATION

The Committee has created a new account, and recommended an appropriation of $217,000,000 within it, for activities for which the Air Force shall reimburse NASA for expenses related to the launching of Department of Defense payloads on the space shuttle. These funds are over and above the level which the Air Force has included in their budget for reimbursable shuttle activities. No appropriation was requested for this activity.

The Committee has provided this appropriation because it believes that the current rate of reimbursement for DOD payloads,

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$70,000,000 per flight, is insufficient to meet NASA's actual expenses. The $70,000,000 figure is the same as for all pre-*Challenger* shuttle launches. Since the shuttle has returned to flight status, substantial increases in operational costs have been experienced because of the more rigorous checkout requirements and augmented staffing necessary to implement the correction action resulting from the failure investigation.

The $217,000,000 provided by the Committee, which the DOD shall transfer to NASA, will enable NASA to accommodate anomalies and unanticipated changes that may be required to meet the substantially increased launch rate in fiscal year 1990, of which DOD missions are the dominant share.

Bill language has been added that will delay the obligation of these funds until September 15, 1990. This will allow these funds to help replenish any NASA funds expended earlier in the year to assist in the launch of DOD payloads.

Environmental Protection Agency

Appropriations, 1989	$5,155,125,000
Budget estimate, 1990	4,883,000,000
House allowance	5,422,117,000
Committee recommendation	5,628,373,000

The Committee recommends an appropriation of $5,628,373,000 for EPA's programs in fiscal year 1990. This amount is $745,373,000 more than the budget estimate, $206,256,000 more than the House allowance, and $473,248,000 more than the 1989 appropriation.

GENERAL DESCRIPTION

The Environmental Protection Agency [EPA] was created through an executive reorganization plan Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970 and the Agency was established as an independent agency in the executive branch on December 2, 1970 by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

Air.—The Clean Air Act authorizes a national program of air pollution research, regulation, and enforcement activities. Under the act, primary responsibility for the prevention and control of air pollution at its sources rests with State and local government, with a strong mandate that the Environmental Protection Agency take action when States do not fulfill their responsibilities. EPA's role is to conduct research and development programs, insure that adequate standards and regulations are established to meet environmental goals set by the act, support State and local control activities, and insure that the standards and regulations are effectively enforced. The air program encompasses activities related to the development and implementation of air pollution control strategies and achievement of air quality standards.

Water quality.—The Clean Water Act [CWA], as amended in 1977, 1981, and 1987, provides the framework for protection of the Nation's surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses, and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal wastewater treatment works, and nonpoint source control practices.

The 1987 CWA amendments authorized the National Estuary, Clean Lakes, Chesapeake Bay, Great Lakes, and State Revolving Fund programs, while greatly increasing permit requirements to include sludge, stormwater and toxic controls.

The Marine Protection, Research, and Sanctuaries Act also forms a part of the framework to protect the Nation's waters. As amended by the Ocean Dumping Ban Act of 1988, it authorizes the Agency to ban ocean disposal of sewage sludge and industrial waste by 1991; to negotiate compliance and enforcement agreements with ocean dumpers to phase out their operations; and to collect fees and penalties from such dumpers. (In cooperation with the U.S. Army Corps of Engineers, the act authorizes EPA to regulate ocean dumping of dredged materials through permits.) Additionally, the Plastic Pollution Research and Control Act of 1987 requires EPA to identify and reduce the effects of plastic pollution on the marine environment and to prepare a restoration plan for the New York Bight.

The Environmental Protection Agency has the role of establishing national regulations and guidelines to assure that the goals of the acts are met; conducting research and development on methods, procedures, and technologies for water pollution control; making grants to support State and local activities; and insuring that standards and regulations are enforced effectively.

Drinking water.—The Safe Drinking Water Act [SDWA] of 1974 charged EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies. In the time since the program was established, the requirements on the operators of public water systems as well as the number of community water systems regularly monitoring drinking water quality in conformance with consistent national regulations, have increased substantially. The SDWA Amendments of 1986 mandated revisions of existing contaminant standards, new standards for a host of chemical contaminants, and new regulatory provisions which require substantial further development of the Public Water Systems [PWS] regulatory framework and reemphasize EPA's responsibility for setting drinking water contaminant levels and ensuring enforcement. Additionally, the Lead Contamination Control Act of 1988 further amended SDWA to require EPA to provide information to the States, public, and local school districts on lead contamination of drinking water

and authorized State grant funds to assist schools to identify and correct such problems.

The Drinking Water Program encompasses the following activities: (1) establishing national drinking water standards; (2) protecting underground sources of drinking water, particularly by controlling underground injection of wastes; (3) assisting the States in assuming primary responsibility for monitoring and enforcing compliance with national standards and regulations; (4) directly implementing programs for public water system supervision and underground injection control in States that have not received primary enforcement responsibility; and (5) performing research which supports the development, revision, and implementation of regulations.

Hazardous waste.—The Resource Conservation and Recovery Act of 1976 [RCRA] mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, must be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

Major activities under the Hazardous Waste Management Program include: (1) developing new and revising existing regulations and guidelines for hazardous waste handlers; (2) conducting research and development to support the hazardous waste program; (3) implementing a permitting and corrective action program; (4) enforcing compliance with regulations, and (5) authorizing and assisting State implementation of the program. The Hazardous Waste Program also supports activities authorized under the Emergency Planning and Community Right-to-Know Act of 1986.

Pesticides.—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable pesticide risks while permitting the use of necessary pest control technologies. This objective is pursued by EPA under the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] and the Federal Food, Drug, and Cosmetic Act [FFDCA] through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

Radiation.—The radiation programs' major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications or nuclear power sources. While some exposure to radiation is inevitable, EPA takes the position that no avoidable risk attributable to such exposure should occur to individuals or to the environment without offsetting benefits. EPA pursues this protective goal through four interdependent sets of activities; (1) development of

criteria, standards, and guidelines; (2) assessment of the environmental impact of emerging radiation problems; (3) surveillance of radiation levels in the environment; and (4) research and development to determine methods for mitigating radiation exposure.

Toxic substances.—The Toxic Substances Control Act [TSCA] establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage is broad, affecting more than 60,000 chemicals currently in commerce, and all new chemicals.

The major programs that the Agency must develop and implement to carry out the provisions of the act are those to: (1) require testing of chemicals and submission of reports of existing information by industry and review these and other data to determine chemical hazards; (2) review and act on new chemical and significant new use notifications by industry; (3) control the manufacturing, processing, distribution, use, and disposal of existing chemicals that pose unreasonable risks to health and the environment; (4) enforce these statutory and regulatory programs; (5) conduct research and development to support the implementation of the law; and (6) insure that all Agency programs dealing with toxic substances coordinate and integrate risk assessments, priority setting, and regulatory actions. In addition, the toxic substances program supports programs as authorized under the Asbestos School Hazard Abatement Act [ASHAA], the Asbestos Hazard Emergency Response Act [AHERA] and reporting requirements established by title III of the Superfund Amendments and Reauthorization Act of 1986.

Interdisciplinary.—The interdisciplinary medium is designed to support programs where the problems, tools, and results are multidisciplinary in nature and must be coalesced into an integrated program. This integrated program encompasses the Agency's enforcement policy and litigation activities. This concept is also employed in the Agency's efforts to advance the Agency's scientific capabilities and knowledge through basic research, to review other agencies' environmental impact statements [EIS's], to prepare new source EIS's, and to promote compliance of Federal activities with regulations for environmental pollution control.

Energy.—The primary objective of the Energy Research and Development Program is to provide scientific information necessary to evaluate environmental impacts and potential controls on energy production and utilization practices. Satisfying this objective requires research and development to better understand the phenomena of acid precipitation.

Superfund.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncontrolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA greatly expanded the original taxing authority and significantly broadened basic program authorities established under CERCLA.

To achieve its objectives, the EPA: (1) Provides short-term emergency response to clean up hazardous waste spills; (2) undertakes long-term cleanup of the Nation's most serious inactive or abandoned hazardous waste sites which are designated on the national priorities list; (3) compels responsible parties to directly undertake response actions whenever possible; (4) conducts alternative/innovative treatment technology research and demonstrations; and (5) seeks to recover moneys expended from the trust fund through enforcement actions.

SARA created an $8,500,000,000 Hazardous Substance Superfund to finance the cleanup and enforcement activities required by the statute. This fund is financed primarily by excise taxes levied on oil and chemical manufacturers, a corporate environmental tax, general fund appropriations, interest on investments, and cost recoveries.

Leaking underground storage tanks.—Subtitle I of the Solid Waste Disposal Act as amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund for conducting corrective action of releases from leaking underground storage tanks that contain petroleum. Owners and operators of facilities with underground storage tanks have the initial responsibility for corrective action and once regulations are phased in, must maintain evidence of financial responsibility.

The Agency's objective is to implement the LUST response program primarily through cooperative agreements with States. The EPA or States with cooperative agreements may use the trust fund to conduct corrective actions if such an action is necessary to protect human health and the environment and EPA or the State determines that an owner or operator is incapable or unwilling to properly carry out a corrective action. The fund may also be used to enforce corrective action by responsible owners and operators and pursue recovery of costs expended from the fund.

SALARIES AND EXPENSES

Appropriations, 1989	$810,000,000
Budget estimate, 1990	868,583,000
House allowance	874,583,000
Committee recommendation	867,483,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation supports all costs of administering EPA's programs, exclusive of Superfund, LUST, and the Office of the Inspector General. This account provides support for executive direction, management, and support for all Agency programs at headquarters and the 10 regional offices. It also provides funding for repair and improvement projects under $75,000. In addition to personnel and administrative costs associated with abatement, control and compliance, research and development, and enforcement activities, the salaries and expenses appropriation supports the following functions:

1. *Program management.*—This activity covers the salaries and related expenses for the assistant administrators and immediate

staffs in the Offices of Water; Air and Radiation; Pesticides and Toxic Substances; Solid Waste and Emergency Response; Research and Development; Enforcement and Compliance Monitoring; General Counsel; and External Affairs.

2. *Agency management.*—This activity supports agencywide policy direction and management activities, including the salaries and associated costs for: the Immediate Office of the Administrator; the offices which report directly to the Administrator; the Office of General Counsel; the Office of Administration and Resources Management; the Office of Policy, Planning, and Evaluation; and the headquarters components of External Affairs.

3. *Regional management.*—This activity supports the regional administrators, their immediate staffs and the staff offices reporting directly to them such as intergovernmental relations, public affairs, and civil rights. Regional management also includes the regions' central management functions: planning and analysis, budgeting, financial management, personnel management, and administrative services as well as the regional counsel.

4. *Laboratory support.*—This activity supports operation of the laboratories of the Offices of Research and Development; Pesticides and Toxic Substances; and Air and Radiation. These costs consist mainly of laboratory services such as, utilities, building maintenance, custodial services, communications, and other operational expenses.

5. *Agency support.*—This activity provides general office and building services and support for program operations at EPA headquarters, Research Triangle Park, and Cincinnati. Agency support also includes agencywide costs which are managed at headquarters and which support the needs of all Agency programs. Examples of such costs include facilities rent, ADP support, and use of the Federal Telecommunications System.

6. *Regional support.*—This activity supports basic needs of the regions, including telephone service, guard services, printing and copying services, rental of office equipment, ADP equipment, and other office and building services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $867,483,000. This is a decrease of $1,100,000 below the administration's request, $7,100,000 less than the House allowance, and an increase of $57,483,000 over last year's appropriation.

The Committee concurs with the following adjustments to the administration's request:

+$2,000,000 and 34 FTE's for medical waste, ocean dumping, and plastics pollution activities;

+$1,500,000 and 20 FTE's for radon programs;

+$1,200,000 and 20 FTE's for pollution prevention programs;

+$1,500,000 and 25 FTE's for EPA to undertake long-term environmental monitoring and assessment in areas with major oilspills;

+$1,000,000 and 12 FTE's for Indian programs, including dedicated staff in the regions to initiate surveys of environmental needs on tribal lands;

+$900,000 and 15 FTE's for the Great Lakes program; and
+$900,000 and 15 FTE's for lead programs.

The Committee recommends a reduction of $5,600,000 from headquarters support activities in lieu of the House decrease of $5,000,000 and a reduction of $9,500,000 from consulting services, in lieu of the House reduction of $2,000,000.

The Committee does not concur with the House increase of $4,000,000 for field and laboratory operations.

The Committee recommends an increase of $600,000 and 10 FTE's for stratospheric ozone and global climate change activities.

The Committee recommends an increase of $400,000 and 10 FTE's for regional ocean dumping dredged material site designation activities. When the Ocean Dumping Act passed 17 years ago, there were more than 100 existing ocean disposal sites for which EPA issued interim designations. Unfortunately, more than 60 of these sites remain on an interim indefinite basis. The Committee places a high priority on resolving these interim designations by 1991. The additional funds provided will address this need and help to eliminate the backlog.

The Committee recommends an increase of $4,000,000 and 57 FTE's to support increased regional and headquarters staff for implementing the Emergency Planning and Community Right-to-Know Act (title III) for technical assistance; quality assuring section 313 data; processing section 313 forms; using section 313 data widely throughout EPA; making section 313 publicly available more expeditiously than was done for the first reporting cycle with statistical and analytical capabilities, including by unautomated means, such as responding to requests to printouts, as well as by user friendly automated means; providing accident prevention and source reduction information; and enforcing the law, including initiating EPA enforcement of emergency planning and notification provisions (sections 302, 303, 304, 311, and 312), as well as handling State referrals of such cases. Of the increased FTE's, at least 10 additional FTE's must be used to support emergency planning and emissions inventory enforcement. The Committee recognizes that EPA has a different, but nonetheless equal to States' and locals', role to play in implementing the emergency planning provisions, and views the planning process as on ongoing priority from the Federal, State, and local perspective.

The Committee directs that up to $1,000,000 of the funds provided for the Office of Pesticide Programs shall be used to establish an advisory group with the U.S. Department of Agriculture for planning and directing research, development, and transfer of alternative, biologically based crop production systems. Such alternatives are to include microbial pesticides, bioengineered crops, pheromones, and other insect behavior modifying biochemicals, predators, and parasites, as well as improved cultural practices. The Committee recommends that the advisory group be composed of scientists, farmers, food processors, health officials, and nonprofit organizations to identify pesticide uses for which alternatives are critically needed.

The Committee wishes to express its extreme dissatisfaction with the manner in which the Agency's Office of Administration has

managed its indoor air quality problem at its headquarters location.

The Committee understands that in early 1988 several areas within headquarters were renovated and new carpets were installed. Following the installation of the carpet, a number of employees reported that they had developed health problems including headaches and eye and throat irritation.

The Office of Administration has refused to remove the carpets citing a lack of scientific evidence that the carpets are the source of the indoor air problems. The Committee does not dispute the complexity of the problem, but is extremely dissatisfied that the Agency has not taken more steps to alleviate the problem and satisfy the grievances of affected employees. The Committee believes it is particulary important that this situation be resolved in a timely manner since the Agency is mandated to protect the public from environmental hazards. The Agency is directed to report to the Committee by October 15, 1989, on its plan to remedy this problem.

The Committee is supportive of the Small Communities Coordinator Program as an important element in increasing compliance with EPA programs and in reducing the burdens on small governmental units. The Committee directs the Agency to provide sufficient staff and funds for necessary outreach and coordination activities.

The Committee reaffirms its support for the Senior Environmental Employment [SEE] Program and calls upon the EPA to utilize this valuable resource in other areas. The Committee strongly urges EPA to make greater use of SEE enrollees for the Asbestos Hazard Abatement Emergency Response Act initiative, radon inspections, and Superfund activities. Additionally, EPA should encourage State programs which are funded by EPA to utilize SEE enrollees to provide technical assistance in emerging environmental concerns, such as monitoring the quality of indoor air, inspecting leakage in underground tanks, and others.

The Committee supports the directive contained in the House Committee report urging the Administrator to give careful consideration to the final decision on carbofuran, including the lack of good substitutes and any new evidence suggesting that modified application procedures can prevent threats to birds. An overall policy on granular pesticides should also be accelerated to place the ecological risk presented by other products in perspective.

The Committee notes with deep concern the failure of EPA to follow up on the recommendations issued in May 1988 by its oilspill prevention, control, and countermeasures program task force. The task force was established after the spidl of the Ashland above-ground oil storage tank in Floreffe, PA. The recent spidl of an above-ground tank near the Arthur Kill, NJ, highlights the continuing threat to the environment that is posed by EPA's faidure to strengthen and improve the regulation of above-ground oil tanks. The Committee directs EPA to develop a schedule for a rulemaking to implement appropriate recommendations of the task force and to provide that schedule to the Committee within 30 days of enactment of this bill.

EPA presently hires a 20-year-old Army aircraft to perform medical waste surveillance flyovers of the New York-New Jersey shore. It is the Committee's understanding that the Army is prepared to transfer ownership of a newer helicopter to EPA for this purpose. A technical change in the law is necessary to permit the Agency to not only hire and operate aircraft, but to accept transfer of ownership of a helicopter as well. The use of this helicopter is vital in the Agency's medical waste tracking efforts. Thus, as in the House bill, language has been included to permit the Agency to acquire one excess helicopter from the Department of Defense for environmental monitoring in region II.

The Committee has deleted language in the House bill authorizing EPA to enter a lease-purchase agreement for the Ann Arbor Motor Vehicle Emissions Laboratory.

The Committee has provided the administration's request of $5,000 for official reception and representation expenses. The House bill provides $7,000 for this purpose.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1989	[1]
Budget estimate, 1990	$31,734,000
House allowance	31,734,000
Committee recommendation	31,000,000

[1] Previously funded in the salaries and expenses and Superfund appropriations.

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement. The audits function provides contract audit, internal audit, and grant audit services. Contract audits provide professional advice to Agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of Agency operations. Grant audits focus on the effectiveness of individual projects, reasonableness of costs, and adequacy of management systems. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $31,000,000. This is a reduction of $734,000 from the budget estimate and the House allowance. Inspector general activities totaled approximately $23,144,000 in fiscal year 1989.

The Committee is concerned with the appearance of excess use of travel funds in the Office of Inspector General at headquarters. The Committee, therefore, directs the Office of Inspector General to exercise a greater degree of restraint in its use of funds for the purpose of travel, particularly in light of the fiscal constraints the Agency is operating under.

The Committee has included bill language preventing the inspector general from using the flexibility provided him under section 509 to transfer funds between object classifications to circumvent this reduction.

The Committee directs that the reduction of $734,000 be taken from the Office of Inspector General at headquarters and not from the regional offices. Furthermore, the Committee directs that a prohibition on inspector general travel outside the 50 States be instituted.

The Committee notes that of the total amount requested for the Office of Inspector General, $10,317,000 is for oversight of the Superfund program and thus, these funds are to be derived from the hazardous substance Superfund trust fund, not moneys from the general fund.

RESEARCH AND DEVELOPMENT

Appropriations, 1989	$202,500,000
Budget estimate, 1990	235,000,000
House allowance	241,500,000
Committee recommendation	234,950,000

PROGRAM DESCRIPTION

EPA's Research and Development Program is designed to produce the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution. The Agency's research and development efforts are conducted through contracts, grants, and agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's 12 laboratories and various field stations.

The Research and Development Program encompasses activities such as developing and improving sampling and analytical methods and instruments for measuring pollutants; determining the effects of pollutants on many animals, plants, materials, and the general environment; researching the processes that relate to pollution; evaluating technologies for preventing and controlling pollution; and developing guidelines and research tools to improve risk assessments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $234,950,000 for research and development. This is $6,550,000 less than the House allowance, $50,000 less than the administration's request, and $32,450,000 more than the fiscal year 1989 appropriation.

The Committee concurs with the House increase of $1,000,000 for oilspill prevention, cleanup, and assessment, including criteria and guidance for spill prevention control and countermeasure plans, cleanup technologies, and an assessment of ecosystem impacts of spills and cleanup techniques such as dispersants, burning, and bioremediation.

The Committee concurs with the House increase of $3,000,000 for the lead research initiative, to evaluate the relative contributions from soil, paint, and dust, and to develop abatement techniques and standards.

The Committee concurs with the House decrease of $4,250,000 from global warming research. The Committee wishes to express its support for the Agency's work in the area of global warming, and notes that it has added funds for higher priority global warming policy activities. The Committee further notes that with this reduction, the Agency's global warming research budget will be close to $10,000,000, an increase of $5,600,000 over the fiscal year 1989 budget for this activity.

The Committee does not concur with the House additions of $4,000,000 for multimedia pollution prevention research; $2,500,000 for the Center for Environmental Management; or $250,000 for cooperative studies with the Department of Energy on solar applications for hazardous waste disposal.

The Committee recommends an appropriation of $1,000,000 for continued support of cloud tracer research conducted at the University of North Dakota. The Committee notes that the UND Aerospace Center has had an active research program on cumulus clouds for several years, and that $500,000 was provided in the fiscal year 1989 appropriations bill for this study.

The Committee recommends an appropriation of $2,200,000 for the University of New Orleans Waste Management and Research Center. This center will facilitate cooperative research and development of technological solutions to waste management problems by academic, industrial, and governmental communities. Furthermore, the center will provide an integrated approach for solving municipal waste problems and to advance the state of urban waste management through the dissemination of environmental information.

The Committee is interested in the demonstration of new pollution prevention technology that significantly reduces coke oven pushing and quenching emissions. The Committee directs EPA to cost share in the demonstration of a new indirect dry quenching system and directs that EPA provide $2,500,000, following a competitive solicitation, to initiate scaleup from current prototype testing activities. Government participation will assure that proper research, engineering, development, testing, and data collection and dissemination take place to help enable widespread application of the technology.

The Committee recommends an appropriation of $500,000 for the Des Plaines River wetlands demonstration project. The Committee understands that this joint Federal, State, and local government project will increase the national understanding of the benefits of wetlands and wetlands reconstruction.

The Committee recommends a general reduction of $6,000,000 to be taken at the Agency's discretion.

The Committee directs that sufficient funds be provided for continuing desert ecological studies on vegetation changes and their causes in the Great Basin of Oregon, Idaho, Utah, and California. The Committee notes that these studies can contribute an improved understanding of the implications of environmental changes on this significant multistate resource area and could lead to the

establishment of a center for such research to serve this large geographical area.

The Committee is interested in the disposal of liquid waste and municipal sludge. The Committee urges EPA to give every consideration to providing the city of Chicago with the necessary Federal funds to provide a test facility for the sludge-to-oil reactor system [STORS]. STORS technology holds great potential for recycling municipal sludge into usable fuel oil. STORS, if effective, would provide a significant answer to the disposal of liquid municipal waste.

Within the funds provided for research and development, the Committee directs that priority be given to funding the university portion of the proposed southern oxidants study on the formation of ozone pollution, its effects, and alternate strategies for its reduction. The South faces unique challenges in controlling high ozone concentrations in both urban and rural areas, which threaten the health of the region's residents, forests, and crops. Contributing to these challenges are high population growth, summer weather patterns that inhibit the dilution of high ozone concentrations, and unusually large contributions to ozone formation from natural sources. EPA's overall research program must address these issues in a timely and comprehensive manner, and it is the Committee's intention that the southern oxidants study be the focus for this important research.

The Committee is concerned about recent changes in EPA's support for research into the effects of acid rain, ozone, and other air pollutants on forest resources, primarily in the South. Together with the U.S. Forest Service and the forestry industry, the EPA in the last 2 fiscal years has been contributing to the southern commercial forest research cooperative, a 5-year program of university research in this area. The Committee urges EPA, from within the funds provided for research and development, to continue to meet its obligations and contribute resources to this cooperative effort.

The Committee notes that one particular area of research that has been grossly neglected is neurobehavioral toxicology. Researchers now know that exposure to hazardous chemicals can lead to reduced intellectual performance, impaired sensory and motor function, and loss of emotional well-being resulting in some cases in severe mental disorders. The Committee recommends that EPA move rapidly with the current revision of its neurobehavioral test guidelines and the hiring of qualified neurotoxicologists. Furthermore, the Committee directs that neurobehavioral test data are included along with other test data as part of the pesticide re-registration process under the FIFRA amendments of 1988.

Bill language has been included, as requested by the administration, permitting up to $11,600,000 for laboratory equipment procurement.

Bill language has also been included, as requested by the administration, allowing the Agency to spend up to $75,000 of funds in the "Research and development" account for construction and renovation of facilities. The House did not include this language.

Finally, as in the House bill, language has been included permitting the Agency to transfer up to $5,000,000 from the "Research and development" account to the "Salaries and expenses" account, subject to normal reprogramming procedures.

ABATEMENT, CONTROL, AND COMPLIANCE

Appropriations, 1989	$724,625,000
Budget estimate, 1990	700,000,000
House allowance	785,000,000
Committee recommendation	829,940,000

PROGRAM DESCRIPTION

The Agency's abatement and control effort includes the development of environmental standards; monitoring and surveillance of pollution conditions; grant support for State and local water quality pollution control planning; direct Federal pollution control planning; grant support for State, regional, and local pollution control programs; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact.

The compliance activity at EPA formerly called enforcement under the old appropriation account structure encompasses the areas of air and water pollution control, drinking water, pesticides, hazardous waste, and toxic substances. A major part of the Agency's compliance effort involves support of, or cooperation with, State and local enforcement programs, such as enforcement of air quality standards, navigable and interstate water quality standards, issuance of pollution discharge permits, and issuance of hazardous waste permits and compliance monitoring. Notices of violation, abatement orders, enforcement conferences, civil and criminal court actions, and, in the case of pesticides, recalls and seizures, are used by the Agency as tools to implement its enforcement responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $829,940,000 for abatement, control, and compliance. This is $44,940,000 more than the House allowance, $129,940,000 more than the administration's request, and $105,315,000 more than the fiscal year 1989 appropriation.

The Committee recommends the following adjustments to the administration's request:

+$52,000,000 for asbestos loans and grants to schools in lieu of the House-passed amount of $47,500,000. Of the total, $1,000,000 is earmarked for seed grants for State training certification programs, $1,500,000 for joint labor-management trust fund training, and $100,000 for minority and women contractor training.

The Committee wants to make clear its intention that funds requested in the administration's fiscal year 1990 budget for assistance to States to carry out the Asbestos Hazard Emergency Response Act for assistance for State efforts, including those of State emergency response commissions and local emergency planning committees, and the Emergency Planning and Com-

munity Right-to-Know Act should be provided pursuant to section 28 of the Toxic Substances Control Act.

+$5,000,000 to carry out emergency planning and community right-to-know (title III) activities consistently with the priorities identified in the salaries and expenses section of the report;

+$50,000,000 for section 319 nonpoint source pollution control activities;

+$7,000,000 for the clean lakes program, in lieu of the House increase of $8,000,000. The Committee urges the Agency to give full consideration to the State of Oklahoma for a grant of $100,000 for phase I activities at Lake Eufaula, OK, to study the adverse recreational and health effects of acid and metals drainage from abandoned coal mines into this important southeastern Oklahoma recreational and drinking water reservoir;

Although the Committee has not provided additional funds for the clean lakes section 315(b) demonstration project lakes, the Committee understands that carryover funds are sufficient to fund all remaining projects in the Clean Lakes Demonstration Program in fiscal year 1990. The Committee notes that Alcyon Lake in New Jersey may apply for funding under the Clean Lakes Demonstration Program during fiscal year 1990, and urges EPA to act expeditiously in response to such a grant application on behalf of Alycon Lake;

+$240,000 for a diagnostic-feasibility project to address the growing eutrophication problem on Lake Champlain, VT;

+$2,000,000 for the Great Lakes water quality activities, in lieu of the House increase of $1,200,000;

+$1,100,000 for Chesapeake Bay toxics study, the same level as the House provided;

+$500,000 for a management conference to establish a comprehensive Onondaga Lake restoration plan. Important tasks of the management conference will include identifying sources of funding for cleanup work and setting goals for the degree of cleanup to be accomplished;

+$1,500,000 for the ocean dumping program. This is the same increase as provided by the House;

+$250,000 for a comprehensive wetlands management and mitigation study for west Eugene, OR. The House provided $2,000,000 for a separate wetlands program including $250,000 for the city of Eugene;

+$1,000,000 to continue work on the Spokane aquifer, as provided by the House;

+$600,000 for the demonstration of water treatment utilizing ferrous ion generators to remove hexavalent chromium from contaminated ground water in Camden, NJ. Since 1971, chromium contamination has spread throughout one well field and is moving toward another. The Committee understands that the water supply of 200,000 citizens is threatened. Treatment based on ferrous ion electrochemical precipitation has proven successful in industrial applications;

+$3,500,000 for drinking water training and technical assistance, in addition to the $1,000,000 requested by the administration. This is the same level of funding as provided by the House.

The increase is intended to fund the Rural Water Association at $3,300,000, the Rural Community Assistance Program at $400,000, and to add $800,000 for integrated compliance strategies by providing technical assistance and training to problem facilities through State 109(b) environmental training centers;

+$1,000,000 for underground injection control State grants for class II wells inspection, in lieu of the House increase of $1,400,000;

+$350,000 for the Small Flows Clearinghouse in Morgantown, WV, to initiate the establishment of a training program to aid small rural communities to comply with EPA regulations concerning drinking water, wastewater, and solid waste disposal, and to develop their capabilities for securing the necessary equipment and financing for the operation of waste and water systems. This amount was provided by the House;

+$75,000 for the city of Crawford, NE, to develop an underground infiltration gallery to filter its surface water supply. The Committee understands that the city of Crawford has an urgent need to develop such a system due to extensive forest and brush fires which occurred in August;

+$2,600,000 for pollution prevention State grants, in lieu of the $5,000,000 provided by the House. The Committee directs the Agency to give every consideration to providing a grant or grants to the Iowa Waste Reduction Center and/or the National Training Center for Waste Minimization and Waste Reduction Programs;

+$500,000 for grants to State-sponsored and local groups for a demonstration program to involve local groups in monitoring and cleaning up medical and other wastes on the New Jersey and Maryland beaches;

+$3,000,000 for radon abatement programs, in lieu of the House increase of $5,000,000. The Committee has earmarked $100,000 for training minority and women contractors in radon mitigation;

+$500,000 for continued work on radio frequency radiation standards;

+$100,000 to the Vermont Department of Health for a pilot program of monitoring different types of homes in rural areas to produce a well-documented survey of indoor air quality. These measurements should add important data to the present body of knowledge on indoor air pollution;

+$2,000,000 for the completion of the San Joaquin Valley air quality study;

+$250,000 for the Northeast States for coordinated air use management to continue interstate coordination on ozone nonattainment and air quality;

+$250,000 for the completion of a 2-year farmworker/pesticide safety study;

+$5,000,000 for global climate change policy activities, the same level as provided by the House. These funds should be targeted to some or all of the following activities: to assist the Intergovernmental Panel on Climate Change, to expand studies of climate change impacts, to cost out specific options for reducing

emissions of greenhouse gases, particularly carbon dioxide, and to assist in the development of an international convention.

The Committee is concerned that no one Federal agency appears to be the lead agency in coordinating policy activities in the area of global warming. The Committee urges the administration to address this situation and to clarify the roles of the various agencies involved in this vital policy area.

The Committee notes that the Global Climate Protection Act calls on the President to work with the Administrator of EPA, along with other appropriate Federal agencies, to develop and propose to Congress a coordinated national policy on global climate change.

+$2,000,000 for stratospheric ozone depletion activities, to assist the Agency in completing an international agreement to phase out chloroflurocarbons and to continue work on methane controls;

+$600,000 for a 2-year environmental health study in Louisiana. This amount was provided in the House-passed bill and will assist the State of Louisiana in identifying priorities for controlling and remediating environmental pollution for the protection of health and the environment. One-half of the study funds ($300,000) should be administered by the Agency for Toxic Studies and Disease Registry [ATSDR], which is under the jurisdiction of EPA and receives its funding from Superfund. The Committee recommends that the study include cancer research, State capacity building in the health effects area, and statewide health effects education;

−$11,700,000 from consulting services, in lieu of the House reduction of $6,250,000;

−$1,200,000 to conform funding for the National Estuary Program to the authorized level of $12,000,000.

The Committee does not concur with the following House additions: $3,000,000 for lead-based paint studies and support; $10,000,000 for public water system State grants; $1,250,000 for an air quality model for the Chicago Federal implementation plan; $500,000 for Sacramento air quality modeling; $250,000 to complete El Paso/Juarez air monitoring; $1,000,000 for waste water treatment operator training; $2,000,000 for State and local staff technical training; $500,000 for a nonpoint source demonstration of the Baton Rouge River Basin; $250,000 for assistance to the Northwest Indian tribes for nonpoint source programs and controls; and $300,000 for a National Academy of Sciences study on water treatment related to Boston and other urban coastal communities.

The Committee does not concur with the House reduction of $12,000,000 from State water grants. The Committee recommends a reduction of $75,000 for a total of $83,125,000.

The Committee commends the President's proposal to provide funding for the environmental clean up of the Krakow region in Poland, one of the world's most polluted areas, and urges the agency to act as quickly as possible to complete its review of the situation, formulate a plan of action, and move forward with the President's initiative. The Committee would be willing to entertain a reprogramming request for this purpose should it be necessary.

The Committee is aware of the EPA's investigations of the public drinking well contamination in at least nine Nebraska communities that is most likely related to activities conducted at grain storage facilities operated by the U.S. Department of Agriculture through the Commodity Credit Corporation. The Committee directs EPA to continue its efforts at identifying other potentially afflicted communities, as well as to continue working with State agencies and USDA in order to prevent threats to public health. EPA should continue to keep residents and community officials fully informed of developments affecting their public drinking water supply.

The Committee has approved the administration's request of $2,000,000 for mobilization and technology transfer activities for public water systems. In order to ensure that small community and nontransient systems receive assistance, the Committee suggests that regional technical assistance activities carried out by the Rural Community Assistance Program be included in this program.

The Committee notes with approval the recent activities of the EPA with respect to water conservation. The incorporation of water demand management principles into EPA's water-related programs offers significant benefits for the environment, consumers, taxpayers, and industries. EPA has convened an internal task force to examine the Agency's activities and develop a strategy for the implementation of policies and actions that promote water conservation. The Committee looks favorably upon these initial steps and urges the EPA to assign this work a high priority as an effective and cost-effective method of environmental protection.

In last year's Committee report, the Agency was directed to prepare a plan to research and monitor the role of atmospheric deposition in coastal waters. The Committee understands that this report is currently under review at the Office of Management and Budget. The Committee urges the Agency to implement the plan in fiscal year 1990 so that we have a better understanding of the role of atmospheric deposition in coastal waters.

Under the Ocean Dumping Ban Act, EPA is required to end the ocean dumping of sewage sludge by December 31, 1991. Many of the dumpers are proposing incineration to dispose of sludge. The Committee is concerned that EPA is leaving the choice of sludge management alternatives to the dumpers. EPA has a responsibility under the Ocean Dumping Ban Act and its pollution prevention policy to identify environmentally sound sludge recycling alternatives and work with the dumpers to implement these alternatives.

The Committee requests that EPA prepare a report by March 1, 1990, on actions it is taking to work with sludge dumpers to identify and implement sludge recycling alternatives. The report should describe the process EPA is using to work with the dumpers, and should describe the economic and technological feasibility of alternatives which have been proposed to recycle or reuse sludge.

Last year the Congress passed the Shore Protection Act to regulate the transportation of garbage in coastal waters. Under the act, EPA is required to prepare regulations to prevent garbage from being disposed in coastal waters during these operations. The Committee directs EPA to promulgate these regulations in a timely

manner and further directs EPA to report to the Committee by January 1, 1990, on its progress in issuing the regulations.

The Committee wishes to express its support for the designation of the Barataria-Terrebonne Bay in Louisiana as an estuary of national significance. This bay area is a vital national estuary resource and is experiencing a very rapid rate of coastal wetland loss which is largely attributable to changes in the water quality of the estuary. The Committee notes that the budget for the National Estuaries Program includes $1,600,000 for first-year funding costs for four new estuary programs. The Committee urges EPA to give every consideration to providing a portion of those funds for a management conference for the Terrebonne-Barataria Bay estuary.

The Committee directs that, in view of the critical stages of the estuary projects in Long Island Sound, Puget Sound, and San Francisco Bay, funding in fiscal year 1990 should be maintained at not less than the current level.

The Committee is interested in the biological removal of nitrogen, a process as yet untested in colder northern waters which, if proven effective, will provide major assistance to cleaning up our waters. The Committee urges EPA to give every consideration to providing the State of Connecticut with the necessary Federal funds to conduct such a feasibility study in Norwalk Harbor. The Committee notes that possible sources of funding for this project include the National Estuary Program (sec. 320 of the Clean Water Act), nonpoint source management (sec. 319 of the Clean Water Act), and treatment works (sec. 212 of the Clean Water Act).

The Committee recognizes that the Patuxent River is a model for water quality management. Therefore, the Committee urges the Agency to designate the Patuxent River as a national demonstration site for pollution management and control. The Committee believes that the Patuxent River is a natural laboratory for testing the effectiveness of strategies that may improve water quality in the Chesapeake Bay and other estuary systems. The Committee directs the Agency to provide a report to the Committee by January 1, 1990, on its progress in this area.

The Committee is very concerned with water quality problems in the Chesapeake Bay's Rock Creek. The situation is so severe that it is associated with public health problems. The Committee believes that Rock Creek should be a main priority in the clean up of the Chesapeake Bay. The Committee understands that a possible solution to the problem would be a combination of dredging and aeration. Therefore, the Committee directs the Agency to work with the Corps of Engineers in devising an acceptable solution to the cleanup of Rock Creek. The Committee directs the Agency to provide a report on its progress by December 15, 1989.

The Committee supports the Agency's efforts in the area of wellhead protection. The Committee approves the administration's request of $500,000 for competitive pilot demonstration projects aimed at assisting local managers acquire and use ground water and land use data in designing and managing their wellhead protection programs. In awarding funds for these pilot projects, the Committee urges the Agency to give every consideration to providing funds to the city of Elkhart, IN, which is in particular danger

of ground water contamination from industrial salts, trichlorethylene, and other organic compounds.

The Committee wishes to express its support for the Agency's work in the area of particulate pollution. The Committee has approved the administration's request of $99,700,000 for section 105 air quality grants, of which $17,700,000 will be targeted to particulate matter [PM10] activities. These funds will support monitoring and State implementation plan [SIP] development activities, as well as major source inspections.

The Committee is encouraged by the Agency's approach in considering the use of the Federal Insecticide, Rodenticide, and Fungicide Act and other statutes to control wastes and residues generated by the wood preserving industry. This comports with overall congressional direction in the use of each statute where it is best suited, and the Committee looks forward to reviewing the Agency's use of this unified, multimedia approach in its regulation of the wood preserving industry.

Within the funds provided, the Committee directs the Agency to give every consideration to providing funds to the Tennessee Valley Authority's Land and Water 201 Program, a multiagency demonstration program designed to enhance the use of soil nutrients, minimize soil erosion, and reduce nonpoint source pollution.

Bill language has also been included, as requested by the administration, allowing the Agency to spend up to $75,000 of funds in the "Abatement, control, and compliance" account for construction and renovation of facilities. The House did not include this language.

Bill language has been included permitting the Agency to transfer up to $10,000,000 from the "Abatement, control, and compliance" account to the "Salaries and expenses" account, subject to normal reprogramming procedures. The House bill also included this language.

The Committee has included bill language delaying the availability of $95,000,000 of the funds in the "Abatement, control and compliance" account until September 30, 1990. The Committee understands that this action will not have any significantly detrimental programmatic effects.

BUILDINGS AND FACILITIES

Appropriations, 1989	$8,000,000
Budget estimate, 1990	8,000,000
House allowance	12,000,000
Committee recommendation	11,700,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $11,700,000. This is an increase of $3,700,000 above the administration's request and the fiscal year 1989 appropriation, and a decrease of $300,000 below the House allowance.

The Committee does not concur with the House increases of $3,000,000 for health and safety repair and improvement projects or $1,000,000 for improvements to the Ada, OK, research laboratory.

The Research Strategies Committee of EPA's Science Advisory Board recommended in September 1988 that EPA should provide Federal leadership for a national program of ecological research by establishing and funding a national environmental sciences institute. The institute's purpose would be to conduct a core ecological research program, monitor and report on trends in ecological quality, and provide a catalyst for ecological research efforts funded by other Federal agencies, State governments, universities, and the private sector. Furthermore, the institute would provide a coordinated focus for ecological research. To this end, the Committee recommends an appropriation of $700,000 for design work for an office and research building for a national environmental research institute to be located on the campus of Oregon State University in Corvallis, OR.

The Committee has provided a $3,000,000 grant to the University of Nevada, Las Vegas for the construction of a laboratory addition to be owned by the University of Nevada. The Committee understands that the work performed by the Environmental Research Center at the University of Nevada, Las Vegas supports the work of over 500 EPA and EPA contract employees located in Las Vegas.

The Committee notes with great interest the proposed Christopher Columbus Center for Marine Research and Exploration in Baltimore, MD. This center is a joint Federal-State-local government project and will focus on marine and coastal environmental protection. Although the Committee has been unable to provide funds for engineering and design work, the Committee is very interested in the center and reiterates the House Appropriations Committee's directive that EPA provide an outline and assesssment of the arrangement between the Agency and the Columbus center. The Agency should submit this outline by January 15, 1990.

HAZARDOUS SUBSTANCE SUPERFUND

Appropriations, 1989	$1,425,000,000
Budget estimate, 1990	1,739,683,100
House allowance	1,425,000,000
Committee recommendation	1,575,000,000

PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the Hazardous Substance Superfund to address the problems of uncon-

trolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially responsible party can be found; (4) take enforcement actions to require responsible private parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup.

COMMITTEE RECOMMENDATION

The Committee recommends a budget of $1,575,000,000 for the Superfund program. This is $150,000,000 more than the House allowance and the fiscal year 1989 appropriations, and a decrease of $164,683,000 below the administration's request. The Committee directs that the reduction be made at the discretion of the Agency.

The Committee concurs with the House increase of $5,000,000 above the administration's request of $11,915,000 for basic research grants on the health effects of hazardous wastes. The grants are administered through the National Institute of Environmental Health Sciences and are critical to the successful implementation of Superfund.

The Committee concurs with the House earmark of $300,000 in grants for training small and minority contractors and women contractors in emerging hazardous substance cleanup areas.

The Committee does not concur with the House addition of $2,000,000 for the Agency for Toxic Substances and Disease Registry.

The Superfund Amendments and Reauthorization Act of 1986 contained significant provisions for worker protection and for training grants to meet the need to train workers for these expanded programs. The initial training program has been largely successful. It is clear, however, from the initial requests for funding from the grantees, and the labor market needs in the future, that the funding authorization of $10,000,000 per year is insufficient to meet the demand for workers specially trained in hazardous waste cleanup. The concern for training is underscored with the dangerous nature of the jobs in question as well as the need to make sure that the training is done in a professional and competent manner using approved methods of instruction and a curriculum responsive to the standards required. Thus, the Committee recommends a total of $20,000,000 as opposed to the $9,600,000 requested by the administration for Superfund worker training grants administered by the National Institute of Environmental Health Sciences. Bill language has been included increasing the authorized funding level for this program from $10,000,000 to $20,000,000.

The Committee directs the Agency for Toxic Substances and Disease Registry [ATSDR] to perform the following health studies at the Lipari landfill, because of the site's unique status as the highest ranking site on the Superfund national priorities list, to inform residents about the health impact of the site and to expand the Nation's knowledge base on the health effects generally of toxic waste

sites. First, the Committee directs that $123,000 be provided to begin an expanded study of low birth weight for the communities near Lipari landfill that would build upon a study already begun by the New Jersey Department of Health [NJDOH] and include the years 1965–69 and 1975–79. Second, the Committee directs that $150,000 be provided to establish a volunteer residence tracking system, or registry, to provide important health and medical information to individuals who currently reside near Lipari landfill as well as individuals who have lived near the site and since moved away. Finally, the Committee directs ATSDR to prepare a report to the Committee on the feasibility and value of performing multisite epidemiological studies for Superfund sites. The Committee encourages ATSDR to examine Lipari landfill as a candidate for inclusion in a potential multisite epidemiological study.

With the Superfund national priorities list continuing to expand and the Agency projecting that the program will not have a carryover by the end of fiscal year 1989, the Committee realizes the importance of providing increased funds for Superfund. The Committee does so in light of the very useful management review of the Superfund program recently released by the Agency. The Committee calls on the Agency to move ahead aggressively in implementing its management review and to do so in a manner that responds to the public critique of the EPA report and implementation efforts raised in the June 1989 hearing before the Senate authorizing subcommittee as well as to the recommendations of the May 1989 report on Superfund released by Members of the Senate Subcommittee on Superfund, Ocean and Water Protection. The Committee directs the Agency to maintain its September 1989 schedule for completing the implementation plan for the management review and to address in that plan such issues as statutory deadline compliance, contractor management and efficiency, and the quality of cleanup efforts in the enforcement program. While the Agency's emphasis on enforcement is a positive element of the recent management review, the Committee stresses the need for EPA to take all necessary steps to assure that enforcement lead remedies have equal environmental protectiveness to those of publicly funded remedies. The Committee also recognizes the fundamental importance of improving the Agency's 1988 proposed revisions to the national contingency plan [NCP], and directs the Agency to respond to the recommendations raised in the specified Senate hearing and May 1989 previously noted Members' report in completing the contingency plan, including recommendations on improving the selection of remedy criteria, eliminating the improper approach to cost in remedy selection, and modifying ground water cleanup standards to achieve statutory consistency. The Committee also favorably notes the Administrator's position expressed during recent testimony that EPA will not propose or implement the deferral policy released with the 1988 NCP proposal unless and until Congress specifically authorizes such a policy during reauthorization.

Bill language has been included making $250,000,000 available from the general fund as authorized under the Superfund Amendments and Reauthorization Act.

Bill language has been included to limit administrative expenses to $220,000,000, this is the same level as proposed by the House.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

Appropriations, 1989	$50,000,000
Budget estimate, 1990	100,000,000
House allowance	76,000,000
Committee recommendation	76,000,000

PROGRAM DESCRIPTION

Subtitle I of the Solid Waste Disposal Act as amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA] authorizes the establishment of a response program for cleanup of releases from leaking underground storage tanks that contain petroleum. Owners and operators of facilities with underground storage tanks have the initial responsibility for corrective action, and once regulations are phased in, must maintain evidence of financial responsibility. The leaking underground storage tank [LUST] trust fund provides supplemental corrective action capabilities and may also be used to enforce necessary corrective action and to recover costs expended from the fund. The Agency's objective is to implement the LUST response program primarily through cooperative agreements with States.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending an appropriation of $76,000,000. This is a decrease of $24,000,000 below the administration's request and an increase of $26,000,000 over the fiscal year 1989 appropriation. Although the Committee is fully supportive of this program, it has been unable to provide the amount requested due to budget constraints.

The Committee is concerned with the new Federal underground storage tank regulations. The Committee supports the goals and provisions of the underground storage tank financial responsibility regulations promulgated pursuant to section 9003 of the Solid Waste Disposal Act. However, the Committee recognizes that many tank owners and operators, particularly small businesses, may have difficulty obtaining affordable coverage by the dates set in the regulation. As a result, many States are attempting to fill the gaps between affordable coverage and the Federal requirements by enacting funds and assurance programs to assist their tank owners in meeting the Federal requirements, and submitting them to EPA for approval. The Committee expects the Agency to give priority, including adequate personnel resources, to assisting the States in the development of approvable financial assurance mechanisms.

The Committee concurs with the House in providing an administrative expense limitation of $6,000,000.

The Committee has earmarked $100,000 for the training of minority and women contractors in underground tank cleanups.

CONSTRUCTION GRANTS/STATE REVOLVING FUNDS

Appropriations, 1989	$1,950,000,000
Budget estimate, 1990	1,200,000,000
House allowance	2,024,000,000
Committee recommendation	2,050,000,000

PROGRAM DESCRIPTION

The long-range goal of the construction grants program is to eliminate the municipal discharge of untreated or inadequately treated pollutants and thereby help restore or maintain the quality of the Nation's waters and protect the health and well-being of the people. This program provides grants to municipal and intermunicipal agencies to assist in financing the construction of cost-effective and environmentally sound municipal wastewater treatment facilities. In addition, the program provides funds to assist delegated States in carrying out their responsibilities to manage the construction grants program and to assist them in carrying out other water quality management programs.

With enactment of the 1987 amendments, prior to the allotment of 1990 title II construction grant funds to the States, 1½ percent of the appropriation is reserved for marine CSO projects and the national estuary program, and one-half of 1 percent is reserved to fund the wastewater treatment needs of Indian tribes. Each State may reserve 4 percent of its allotment to manage its delegated construction grant activities, 1 percent of its authorized allotment for water quality management planning, and 1 percent of its allotment to develop and implement a nonpoint source control program. The act also requires that each State set aside between 4 and 7½ percent of its allotment to provide financial incentives to communities to use innovative and alternative technologies in constructing their wastewater treatment facilities; it also permits States having substantial rural populations to set aside between 4 and 7½ percent of their funds for projects in small communities. All grants for assisting in the development and construction of wastewater treatment facilities are to be awarded on the basis of a State's priority system, which is designed to ensure improved water quality.

Grants for the construction of eligible wastewater treatment facilities are provided to communities that have completed facility planning and design, and an allowance for planning/design work is included in the grant. Provision is also made for advances to enable small communities, otherwise unable to finance such activities, to plan and design projects.

The goal of the State management assistance grant program under secton 205(g) is to allow the States, rather than EPA, to assume responsibility for day-to-day management of construction grants and other priority programs, and under section 205(j)(1) to provide essential support to water quality management planning. The 1987 amendments added a new set-aside, section 205(j)(5), to be used by States to develop and implement nonpoint source control programs.

The 1987 amendments authorized funds to foster the creation of State revolving fund [SRF] programs to provide below-market interest rate loans and other forms of nongrant assistance to commu-

nities for the construction of wastewater treatment facilities. Capitalization grants may be awarded by EPA to States with EPA-approved SRF programs, beginning in fiscal year 1987. Ultimately (by fiscal year 1991), the SRF program will completely replace the construction grants program.

Section 603(d) authorizes States to utilize up to 4 percent of their SRF capitalization grant to administer their SRF program. Section 604(b) requires States to reserve up to 1 percent (with a minimum of $100,000) of the SRF allocation for water quality planning activities. However, the other set-asides and national reserves that apply to title II construction grant funds apply to title VI SRF funds.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,050,000,000 for sewage treatment construction grants. This is an increase of $850,000,000 over the administration's request, $26,000,000 over the House allowance, and $100,000,000 over the fiscal year 1989 appropriation. Of the total appropriation, $1,025,000,000 is for construction grants authorized by title II of the Federal Water Pollution Control Act, as amended, and $1,025,000,000 is for State water pollution control revolving fund payments authorized by title VI of the Federal Water Pollution Control Act.

The Committee does not concur with the House earmarks of $20,000,000 for Boston Harbor; $19,000,000 for the Des Moines wastewater treatment plant; and $7,000,000 for a defensive collection and conveyance system for wastewater emanating from Tijuana, Mexico.

The Committee has included language contained in the House bill rescinding $47,700,000 of unobligated appropriations for section 206(a) of the Clean Water Act, which has expired. This section provided reimbursements for the construction costs of certain systems built immediately before the construction grants program was first authorized.

The Committee notes that the House bill increased the set-asides from 1 to 2 percent to fund nonpoint source pollution control activities and State planning for nonpoint source control activities, and created a new 2-percent set-aside from State revolving funds. The Committee does not concur with these increases in the set-asides. The Committee believes that funding for nonpoint source activities via set-asides may provide funds to States without approved programs and the relative distribution of funds will not be consistent with needs established in approved programs. Furthermore, funding via set-asides provides a decreasing and short-term funding plan for a pollution problem which requires increased and long-term funding. Therefore, the Committee has provided funds for nonpoint source control activities in the "Abatement, control and compliance" account.

The Committee does concur with the House increase in the set-aside for State revolving loan fund administration and State water quality planning from 4 percent of the appropriated amount to 4 percent of the authorized amount. The Committee does not concur with the House in adding bill language relaxing the requirements of sections 602(b)(6) and 201(g)(1). The Committee believes these

issues would be more appropriately addressed in the context of authorizing legislation.

The Committee does not concur with the House in permitting the Governor of the State of Texas to allocate up to $15,000,000 of its construction grant funds to establish a revolving loan fund for residents of the colonias.

The Committee does not concur with the House earmark of $6,800,000 from the State of South Carolina's construction grants allocation for a collector sewer line to connect the town of Honea Path to the waste water treatment facility in the town of Ware Shoals, SC. The Committee is concerned with the precedent this action would set and notes that the effect of this action would be to reduce total funds available on a competitive basis to projects in the State of South Carolina by $6,800,000.

ADMINISTRATIVE PROVISIONS

Bill language has been included permitting EPA to augment appropriated funds with receipts in the licensing and other services fund. This provision has been made effective after Steptember 30, 1990, in order to give the Agency advance notice in order to take maximum advantage of this funding incentive.

The Committee has also included bill language to permit EPA to enter into an agreement with the New Jersey Institute of Technology to lease excess space at the Edison Laboratory for up to 10 years. This language is judged to be in the Government's best interest.

Executive Office of the President

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriations, 1989	$850,000
Budget estimate, 1990	861,000
House allowance	861,000
Committee recommendation	1,500,000

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act [NEPA] and the Environmental Quality Improvement Act of 1970 and is located within the Executive Office of the President. The Council's principal responsibility is to provide the President and the Congress with timely and authoritative advice on key policy issues. In addition to providing policy advice, the Council is responsible for maintaining policy oversight of the Federal Government's implementation of NEPA. The Council is also charged with cochairing with EPA, the Interagency Toxic Substances Data Committee; serving as Executive Secretary of the Interagency Task Force on Acid Precipitation; overseeing implementation of environmental messages by the President; assisting and advising the President in preparing the annual environmental quality report to the Congress; and coordinating international environmental activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,500,000 for the activities of the Council on Environmental Quality. This is an increase of $639,000 above the House allowance and the budget request and an increase of $650,000 over the fiscal year 1989 appropriation.

The Committee understands that both the House and Senate currently have legislation pending that will assign the Council new responsibilities and emphasize the importance of integrating global environmental concerns into Federal policy decisions. Furthermore, there are indications that the President envisions an enhanced role for the Council during his administration. Thus, the Committee believes an appropriation of $1,500,000 is justified and expects the Council to give priority to using them to hire staff to implement the recent G–7 accord on global change.

The Committee is concerned that over the past several years the Council has not produced its annual environmental quality report in a timely manner. The Committee urges the administration to look closely at the activities and priorities of the Council and directs the Council to issue its annual environmental quality report in an expeditious manner.

NATIONAL SPACE COUNCIL

Appropriations, 1989	
Budget estimate, 1990	$563,000
House allowance	1,200,000
Committee recommendation	900,000

PROGRAM DESCRIPTION

The National Space Council was reestablished by section 501 of Public Law 100–685. Its primary function is to provide advice and assistance to the President on national space policy and strategy. The Council has been directed by the President to review U.S. Government space policy, including long-range goals, and develop a strategy for national space activities. The Council will also develop recommendations for the President on space policy and space-related issues and will encourage cooperation and exchange among the civil, national security, and commercial space sectors. In addition, it will monitor and coordinate implementation of the President's national space policy by executive departments and agencies, and will resolve differences concerning major space and space-related policy issues. The Council is composed of the Vice President as Chairman, the Secretaries of State, Treasury, Defense, Commerce, and Transportation, the Director of the Office of Management and Budget, the Chief of Staff to the President, the Assistant to the President for National Security Affairs, the Assistant to the President for Science and Technology, the Director of Central Intelligence, and the Administrator of the National Aeronautics and Space Administration.

COMMITTEE RECOMMENDATION

The Committee recommends $900,000 for the National Space Council. This is $337,000 above the administration's request, but $300,000 below the House allowance.

The Committee expects a progress report on the Council's efforts to assist the President in developing a long-term exploration of space initiative by April 1, 1990.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 1989	$1,587,000
Budget estimate, 1990	2,997,000
House allowance	2,027,000
Committee recommendation	2,997,000

PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-282) and provides advice to the President concerning policies in science and technology and on the utilization of science and technology in addressing important national problems. OSTP also supports other organizations within the Executive Office of the President with regard to issues involving science and technology considerations; reviews and analyzes the research and development budgets and programs of the Federal Government, in concert with the Office of Management and Budget; coordinates research and development programs of the Federal Government; and fulfills other obligations, duties, functions, and activities mandated by the National Science and Technology Policy, Organization, and Priorities Act of 1976.

COMMITTEE RECOMMENDATION

The Committee recommends $2,997,000 for the Office of Science and Technology Policy [OSTP]. This amount is the same as the administration's amended request and $970,000 above the House allowance. This amount is $1,410,000 above the fiscal year 1989 level.

The Committee recommends that the President's amended budget request, submitted to Congress in July, be funded at the proposed level. This increase will provide funds for additional resources for OSTP and initiation of the President's Council of Science and Technology Advisors [PCAST].

The Committee notes that since fiscal year 1980, total Federal R&D has continued to grow from $29,800,000,000 to $58,800,000,000 in fiscal year 1988. However, of this $29,000,000,000 increase, $24,400,000,000 (84 percent) was defense R&D. Civilian R&D, on the other hand, through fiscal year 1988 has not kept pace with inflation. In fact, it has been cut by more than 9 percent in real terms since 1980. At the same time, defense R&D has more than doubled to $39,500,000,000 constituting 82 percent real growth.

The Committee is concerned with this imbalance between civilian and defense R&D. Therefore, the Committee requests the President's science advisor to prepare and submit a report by February 1, 1990, analyzing the balance between defense and nondefense re-

search and development. In addition, the report should include recommendations as to how this mix of Federal R&D support might be reoriented to better support the Nation's priorities in science and technology.

In addition, the Committee is concerned about the failure of the Department of Education and the National Science Foundation to cooperate more readily on steps to improve math science and engineering education. Too often the NSF's educational materials have not had the chance to be properly distributed through the extensive education network. For this reason, the Committee directs the OSTP to take immediate steps to improve any and all coordination problems between the two agencies and to report to the Committee by March 1, 1990, on the program they have made on this matter.

Finally, consistent with the Committee's interest in global change research, OSTP is directed to outline what it believes to be the principle scientific questions that are in greatest need of attention and report to the Committee by May 1, 1990 on how the existing interagency Committee on Earth Sciences research strategy plans to answer these questions.

Federal Emergency Management Agency

Appropriations, 1989	$633,712,000
Budget estimate, 1990	816,273,000
House allowance	648,928,000
Committee recommendation	655,198,000

The Committee recommends an appropriation of $655,198,000 for the Federal Emergency Management Agency [FEMA] in fiscal year 1990. This amount is $161,075,000 less than the budget estimate and $6,270,000 above the House allowance.

GENERAL DESCRIPTION

FEMA is responsible for coordinating Federal efforts to anticipate, prepare for and respond to a spectrum of major civil emergencies. The Agency also works to assure the effectiveness of the National Civil Defense Program and the availability of civil defense systems and resources in coping with all manmade and natural disasters; consolidates the programs aimed at preventing and mitigating the effects of potential disasters with the programs designed to deal with the disasters once they occur; coordinates and plans for the emergency deployment of resources that are used on a routine basis by Federal agencies; and helps to coordinate preparedness programs with State and local governments, private industry, and voluntary organizations.

FEMA's budget submission describes several principal activities, including:

Civil defense.—This activity provides for the development of plans and functional emergency capabilities to mitigate, prepare for, respond to, and recover from attack-related emergencies, which creates the capability to respond to emergencies caused by natural and technological hazards. It has financial and technical assistance programs which support State and local organization requirements, and operating costs. Federal civil defense objectives and support

are integrated with State and local emergency operational requirements, thereby enhancing overall emergency preparedness for all hazards. Under the administration's new civil defense policy, this activity places emphasis on ensuring a basic emergency response infrastructure with potential for rapid enhancement of capabilities when necessary (the surge concept). Included in this activity are preparedness programs that address functions including planning, warning, communications, direction and control, shelter, movement of people, and provision of food and medical resources. This activity also provides for development of training materials and training programs, and for research and development activities that provide the technical basis for national planning for such activities as population protection.

Earthquake and other hazards.—This activity provides for the enhancement of Federal, State, and local governments' capability to prepare for, respond to and mitigate the impact of disasters and emergencies. Program activities include hazard analyses, needs assessments, technical guidance and financial support designed to assist State and local governments in developing a comprehensive approach to preparedness planning for natural and manmade emergencies. FEMA is also designated as lead agency for the National Earthquake Hazards Reduction Program and is responsible for planning, coordinating, and recommending goals and priorities for the multiagency program.

Radiological emergency preparedness.—This activity is focused on improvement of Federal, State, and local planning for emergencies in areas surrounding nuclear power reactors and enhanced capabilities to cope with radiological accidents at fixed nuclear facilities, including commercial nuclear powerplants, and nuclear materials license holders. The activity provides assistance to State and local governments through the issuance of guidance, review and approval of plans, and evaluation of exercises.

Federal preparedness.—The goals of the Federal preparedness activity are to enhance Government readiness and capability in order that the Nation will be able to respond effectively and efficiently to peacetime or wartime national security emergencies and to enable government, at all levels, to cope with the consequences of accidental, natural, and man-caused occurrences.

Training and fire programs.—This activity prepares Federal, State, and local officials, their supporting staff, and volunteer organizations to meet the responsibilities and challenges of domestic emergencies through planning, mitigation, preparedness, response, and long-term recovery. Educational programs are provided through the Emergency Management Institute and the National Fire Academy. In fiscal year 1990, FEMA proposes to begin a phase-in of increased cost sharing which is part of a government-wide policy to increase the State and local share of the cost of training their personnel. The U.S. Fire Administration provides a Federal focus on identifying problems with which the Nation's fire, rescue, and emergency medical services must deal, finding solutions to these problems, and supporting State and local fire protection and emergency services efforts. FEMA proposes to eliminate most of the Federal funding for the Fire Prevention/Arson Control Program in fiscal year 1990.

Flood plain management.—This activity combines mapping, regulatory, and technical assistance to assist State and local governments in responding to known flood hazards and mitigating their effects through a comprehensive approach to managing the Nation's flood plains. FEMA proposes to fund this activity through a transfer from the National Flood Insurance Fund in fiscal year 1990.

Flood insurance.—The National Flood Insurance Program makes insurance available to property owners in participating communities, in return for which communities are required to adopt flood plain management measures to protect lives and reduce property loss. The flood insurance mechanism allows individuals owning or buying property to insure buildings and contents against flood losses.

Crime insurance.—This program enables residents and businesses to purchase insurance against burglary and robbery losses on properties that meet protective device requirements where such coverage is not available in the private market place. By law, the current authority for this program expires on September 30, 1989. FEMA is proposing that this program not be extended beyond that date.

Disaster response and recovery.—The President's Disaster Relief Program supplements the efforts and available resources of State and local governments and voluntary relief organizations in responding to a major disaster or emergency, as defined in the Robert T. Stafford Relief and Emergency Assistance Act, Public Law 93-288, as amended by Public Law 100-707 (the Stafford Act).

Emergency food and shelter.—Funds are awarded to a national board of voluntary organizations, chaired by FEMA, which makes awards to local boards on the basis of need. Those local boards allocate funds to voluntary organizations at the local level and local units of governments to supplement their programs for emergency food and shelter.

DISASTER RELIEF

Appropriations, 1989	$100,000,000
Budget estimate, 1990	270,000,000
House allowance	100,000,000
Committee recommendation	100,000,000

PROGRAM DESCRIPTION

Federal disaster assistance is a nationwide program operated pursuant to the Stafford Act. FEMA is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Funds may be made available directly to a State or to other Federal agencies as reimbursement of expenditures in disaster relief work performed under this authority. Funds and other assistance may also be made available to individuals, families, and businesses for disaster related needs and expenses. In addition, a variety of other Federal assistance is coordinated under this program.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 for disaster relief assistance in fiscal year 1990. This is $170,000,000 less than the budget request and the same as the House allowance. This level of funding is consistent with current year estimates to maintain current year funding.

The Committee notes that FEMA projects an estimated carryover of $60,000,000 for fiscal year 1990 for disaster relief assistance. The availability of these funds, together with recoveries of $50,000,000 in prior year obligations, should provide sufficient funding disaster payments in fiscal year 1990.

The Committee concurs with the House recommendation denying proposed language permitting up to $10,000,000 to be borrowed for developing and implementing nuclear powerplant emergency response plans for nonparticipating State and local governments.

The Committee strongly urges FEMA to assist and cooperate with the Governor of Tennessee and the Tennessee Department of Transportation in expeditiously considering the application of a disaster project grant for the Great River Road Bridge on Highway 51 in west Tennessee.

SALARIES AND EXPENSES

Appropriations, 1989	$137,274,000
Budget estimate, 1990	141,329,000
House allowance	141,329,000
Committee recommendation	141,489,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation comprises two activities:

1. *Program support.*—This activity provides for staff and supporting resources to administer the Agency's various programs at the headquarters, field, and regional levels. FEMA proposes to fund the salaries and expenses for flood plain management and insurance activities through a transfer from the national flood insurance fund in fiscal year 1990.

2. *Management and administration.*—This activity provides staff and supporting resources for the general management and administration of the Agency in legal affairs, external affairs, personnel, financial management, and other central support functions, such as rent, utilities, ADP support services, and supplies.

COMMITTEE RECOMMENDATION

The Committee recommends $141,489,000 for salaries and expenses. This amount is $160,000 above the budget request and the House allowance. This is an increase of $4,215,000 above the fiscal year 1989 level.

The Committee concurs with the House in recommending the following adjustments to the administration request:

+$548,000 for 16 FTE's in the civil defense, training, and education to continue current funding of the civil defense portion of the NETC site administration, instead of transferring such costs to the training and fire program.

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−$548,000 from civil defense, from programs other than training and education.

The Committee concurs with the House in transferring $10,734,000 from the national flood insurance fund into salaries and expenses for the administrative costs of the insurance and flood plain management programs.

The Committee recommends the following adjustments to the administration's budget request:

−$2,281,000 and 50 FTE's from the proposed NETC site administration, fire, and training programs.

+$1,733,000 for 34 FTE's in the National Fire Academy site administration program to continue funding of the fire academy portion of those costs instead of transferring these costs to NETC site administration, training, and fire programs.

+$150,000 for three FTE's in the hazardous materials program.

+$298,000 for six FTE's in the U.S Fire Administration program. This amount will restore $100,000 and two FTE's to the Fire Prevention and Arson Control Program above the 1990 requested staffing level of two. The Committee recommends that one FTE ($50,000) should be designated to coordinate with the Earthquake Program and its development of a national data base for heavy urban search and rescue capability.

+$50,000 for an additional one FTE for the National Fire Academy, hazardous materials first responder training.

+$50,000 for an additional one FTE for the Emergency Management Institute, hazardous materials first responder training.

+$160,000 for four FTE's for program management and administration of section 305(a) grants authorized by the Superfund Amendments and Reauthorization Act.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriations, 1989	$282,438,000
Budget estimate, 1990	268,505,000
House allowance	271,160,000
Committee recommendation	277,000,000

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation provides resources for the following activities which were described previously: civil defense, earthquake and other hazards, radiological emergency preparedness, Federal preparedness, training and fire programs, and flood plain management. FEMA proposes to fund the flood plain management activity through a transfer from the National Flood Insurance Fund in fiscal year 1990.

COMMITTEE RECOMMENDATION

The Committee recommends $277,000,000 for emergency management planning and assistance. This is $5,840,000 above the House allowance and $8,495,000 above the budget request. This is $5,438,000 below the 1989 level.

The Committee concurs with the House in recommending the following adjustments in the administration's budget request:

+$2,000,000 for emergency management assistance grants for a total of $61,123,000.

+$1,439,000 for student travel stipends for training and education. This amount will restore the proposed reductions in stipends in civil defense, training, and education ($344,000); and in the domestic programs, for the Emergency Management Institute ($301,000) and for the National Fire Academy ($794,000).

+$1,750,000 for civil defense, training, and education portion of NETC site administration costs, instead of transferring such costs to emergency management planning and assistance, training, and fire programs.

−$1,000,000 from the Civil Defense Radiological Defense, Instrumentation Program. This is the increased level requested by the administration.

−$1,094,000 from the $2,518,000 increase requested for the Civil Defense, State and Local Direction, Control and Warning Program.

+$2,500,000 to restore the U.S. Fire Administration's Fire and Prevention and Arson Control Program to the current level of $3,000,000.

+$100,000 for the Hazardous Materials Program.

The Committee recommends the following adjustments to the administration's budget request:

+$200,000 for the Emergency Management Institute for its portion of site administration costs instead of transferring such costs to the training and fire programs, NETC site administration.

+$2,750,000 to the National Fire Academy for its portion of site administration costs instead of transferring such costs to the training and fire, NETC site administration.

+$200,000 for the U.S. Fire Administration for its portion of site administration costs instead of transferring such costs to the training and fire programs, NETC site administration.

−$4,900,000 from the proposed NETC "Site administration, fire, and training" account.

−$500,000 from the $12,843,000 requested for the Civil Defense Population Protection Program.

−$500,000 from the $1,579,000 increase requested for civil defense telecommunications and warning.

+$1,000,000 for the Earthquake Program. This amount increases the level $555,000 above the fiscal year 1989 appropriation. The Committee has increased the funding level with the expectation that, as the lead agency for the Earthquake Hazards Reduction Program, FEMA will attempt to take a more aggressive approach in earthquake preparedness and in its designated role. The Committee recommends that $200,000 of this amount be used to develop a data base to public and private sector capabilities for heavy search and rescue efforts in U.S. urban areas.

+$130,000 for the Hurricane Program, an increase of $65,000 above the 1989 level. The Committee notes that several of FEMA's mandates have been continuously underfunded and, therefore, is recommending modest increases to these programs.

+$40,000 for the Dam Safety Program.
+$40,000 for the Hazard Mitigation Assistance Program.
+$3,840,000 for section 305(a) grants authorized by the Superfund Amendments and Reauthorization Act, title III. Such grants should be issued without restrictions on the percentage of State training courses or personal services. The Committee directs FEMA to take a more aggressive approach to implementing Federal emergency response and training in the hazardous materials area, and to assure that such efforts are coordinated with EPA.
+$500,000 for hazardous materials first responder training. This level will increase training in the Emergency Management Institute by $220,000 and $280,000 in the National Fire Academy.

The Committee directs FEMA to prepare a study on the principal threats facing communities and local emergency management coordinators. The Committee understands that certain natural and manmade disasters threaten communities with a varying degree of severity and frequency. The study should rank the principle threats to the population according to region and any other factors deemed appropriate. The report should be submitted to the Committee no later than March 31, 1990.

Many national studies have called for an increased emphasis on public education on fire safety. Because most fires occur in residences, additional fire safety efforts should be focused on residential property through additional education. The Western Fire Chiefs Association has taken steps to create an educational fire safety network to assist in this public education effort. The Committee directs FEMA to make $32,120 available from the "U.S. Fire Administration" account to the Western Fire Chiefs Association to provide resources for the production of a regional newsletter, seed money for a regional fire safety conference, and the establishment of a technical assistance program.

The Committee is aware of the need for a regional emergency dispatch system for the capital fire mutual aid system, a consortium of 41 towns in Washington, Orange, and parts of Lamoille and Caledonia Counties, VT. The Committee directs FEMA to provide $200,000 from available funds for this important rural emergency dispatch system to cover 50 percent of the purchase price of a high band radio, encoders, two phone lines, two computers with printers, and other peripheral equipment, in addition to first year operating expenses. Before FEMA awards these funds, the capital fire mutual aid system must receive written assurances from the State of Vermont, to be reviewed and approved by FEMA, that this communications system will be fully integrated into the State's civil defense program.

The Committee understands that to carry out its Emergency Broadcast System obligations, radio station WORK-FM in Barre, VT, is in need of a reliable emergency generator. The Committee directs FEMA to provide $30,000 from available funds for an emergency generator at WORK-FM for the Broadcast Station Protection Program.

The Committee is distressed that FEMA has been unable to attain a level of 140 positions at the National Emergency Training Center during the past fiscal year. In last year's report, the Com-

mittee directed FEMA to reach a staffing level of 140 FTE's. It is understood that hiring can be a lengthy process, however, the number of positions to achieve were not unreasonable. Because these staffing levels have not been achieved yet, the Committee expects FEMA to continue submitting monthly reports on the status of filling the positions until the 140 staffing level is reached. Additionally, no positions shall be filled in the Office of Training until such time that this number is achieved. Furthermore, all other requirements stipulated in the fiscal year 1989 appropriations report language will remain in effect.

The Committee is greatly concerned over FEMA's National Emergency Training Center [NETC] site administration account. The budget request included a proposal to transfer moneys and FTE's out of various accounts to fund a new site administration account. The Committee does not believe that such an account is necessary. Additionally, the Committee is distressed that the site administration is not proportionately funded on the basis of use. The Committee directs FEMA to review its current structure and proportionately divide the expenses of the National Emergency Training Center. FEMA should submit its review, including its plan to equitably share the costs of the NETC, to the Committee by January 31, 1990.

The Committee is aware that the Washington area warning system is in severe disrepair. Additionally, the Committee understands that the national security directive mandating the Washington Area Warning System [WAWAS] no longer exists. Because of the underfunding of the WAWAS and the inability of local jurisdictions to activate the sirens, the programmatic proposed action is to discontinue the operation of the WAWAS sirens as soon as possible, remove the equipment where necessary, integrate the WAWAS jurisdictions into the national warning system, and make all other necessary arrangements for the termination of the system. FEMA is required to remove any WAWAS equipment from those jurisdictions that do not choose to retain the equipment. A total of $500,000 is needed for the removal of the WAWAS sirens, however, the agency has only requested $151,000. Therefore, the Committee directs FEMA to make $500,000 available for the WAWAS out of available civil defense funds, excluding those funds used for State and local grants, to be taken at the agency's discretion. The reprogramming of civil defense funds is subject to the standard reprogramming requirements of the Committee.

NATIONAL FLOOD INSURANCE FUND

PROGRAM DESCRIPTION

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate flood plain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes.

Under the Emergency Program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents in amounts up to $245,000 for single family residential and $550,000 for other types.

Financing.—The Administrator is authorized to borrow up to $1,000,000,000 to carry out the program. No appropriation is requested in 1989 or 1990.

Operating results.—In 1988, the program became self-supporting for the historic average loss year. The program is financed through premium income in the historic average loss year.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in providing bill language transferring a total of $51,037,000 from the national flood insurance fund to the salaries and expenses appropriation ($10,734,000) for 203 staff and to the emergency management planning and assistance appropriation ($40,303,000). The total transferred to emergency management planning and assistance includes $36,283,000 for flood studies and surveys and $4,020,000 for the Flood Hazard Reduction Program. These transfers are the amounts proposed in the budget request.

The Committee is aware that the National Flood Insurance Program policy base has remained essentially static for nearly a decade, indicating that the requirements to purchase and maintain flood insurance (contained in the Flood Disaster Protection Act of 1973) have not been effectively implemented by federally regulated and insured mortgage lenders. The Committee urges FEMA to investigate ways to effect greater compliance, which will result in broadening the policy base and reducing the continual draws on the Treasury for disaster damage assistance. Opportunities for reducing costly repetitive flood damage and insurance claims through improved mitigation opportunities should also be examined.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1989	[1]
Budget estimates, 1990	$2,439,000
House allowance	2,439,000
Committee recommendation	2,709,000

[1] $2,393,000 included for this activity in salaries and expenses appropriation in 1989.

PROGRAM DESCRIPTION

This is a new appropriation, the necessity for which was created by Public Law 100-504, the Inspector General Act Amendments of 1988. FEMA inspector general activities were previously funded as part of the management and administration activity of the salaries and expenses appropriation.

This appropriation provides audit and investigative functions for all FEMA programs, including the insurance programs. The audit

function provides oversight and evaluation of Agency activities, and serves to identify and correct conditions allowing potential or actual fraud, waste, and mismanagement in FEMA programs. The investigative function provides for the detection and investigation of improper and illegal activities involving Agency programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends $2,709,000 for Office of the Inspector General. This amount is $270,000 above the budget request and the House allowance.

The Committee believes that the establishment of a statutory inspector general within FEMA is certainly a step in the right direction. However, no additional resources were requested for the Agency's Office of the Inspector General. FEMA must assure that sufficient resources are provided to the Inspector General's Office in order to fulfill the intent and purpose of the act.

The increase in funds is to be used to meet existing payroll costs, including overtime necessary in conducting investigations; increase the staff by an additional five FTE's to help begin implementation of the Inspector General Act; and, increase the equipment account by $15,000 and the travel account by $7,500.

EMERGENCY FOOD AND SHELTER

Appropriations, 1989	$114,000,000
Budget estimate, 1990	134,000,000
House allowance	134,000,000
Committee recommendation	134,000,000

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation of $50,000,000 to combat the effects of high unemployment in the emergency jobs bill (Public Law 98–8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100–177.

The program has been administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless, participating organizations being restricted by legislation from spending more than 2 percent of the funding received for administrative costs. The administrative ceiling was increased to 5 percent under the McKinney Act. However, subsequent appropriation acts limited an expenditure of 3.5 percent on administrative expenses.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending an appropriation of $134,000,000, the same amount as the administration's request.

The Committee also concurs with the House that this program should not be transferred from FEMA to HUD. The program, under the administration of FEMA, has been efficient in distribut-

ing funds to the various organizations eligible for funding and has, in fact, been quite successful. The program is working well and the Committee sees no advantage to transferring this program. The administrative costs shall continue not to exceed 3.5 percent of the total appropriation.

General Services Administration

CONSUMER INFORMATION CENTER

Appropriations, 1989	$1,354,000
Budget estimate, 1990	1,360,000
House allowance	1,360,000
Committee recommendation	1,360,000

PROGRAM DESCRIPTION

The Consumer Information Center [CIC] was established within the General Services Administration [GSA] by Executive order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The CIC promotes greater public awareness of existing Federal publications through wide dissemination to the general public of the consumer information catalog. The catalog lists both sales and free publications available from the Government Printing Office [GPO] distribution facility in Pueblo, CO. In fiscal year 1988, the CIC distributed a total of 9.7 million publications. Distribution costs of the free publications are financed by reimbursements from the Federal agencies to the Consumer Information Center. Beginning in March 1983, the CIC began charging a user fee of $1 for two or more free publications ordered from the catalog.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, CIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to CIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends $1,360,000 in new budget authority for the Consumer Information Center. This is the same as the budget request and the House allowance, and represents an increase of $6,000 over the fiscal year 1989 budget.

Department of Health and Human Services

OFFICE OF CONSUMER AFFAIRS

Appropriations, 1989	$1,708,000
Budget estimate, 1990	1,988,000
House allowance	1,888,000
Committee recommendation	1,888,000

PROGRAM DESCRIPTION

In accordance with Executive Order 11583 of February 24, 1971, the staff of the U.S. Office of Consumer Affairs assures that consumer needs and viewpoints are presented in the Federal Government, fosters consideration of consumer viewpoints by other Government agencies, voluntary groups and business, and seeks to inform and educate individual citizens to deal more effectively in the marketplace. The Director is also the Special Adviser to the President for Consumer Affairs.

Under Executive Order 12160 of September 26, 1979, the staff of the Office also provides administrative support to the Consumer Affairs Council. The functions of the Council are to provide leadership and coordination to insure that agency consumer programs are implemented effectively, to strive to maximize effort, promote efficiency and interagency cooperation, and to eliminate duplication and inconsistency among agency consumer programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,888,000 and 22 FTE's for the Office of Consumer Affairs. This is the same as the House allowance, $100,000 less than the administration's request, and an increase of $180,000 over the current budget.

The Committee takes strong exception to the administration's proposal to contract out for the bulk of the Office's functions. The administration proposes to reduce the number of full-time employees at the Office from 22 to 10. The Committee strongly objects to this initiative and is recommending a budget consistent with a current services level.

Interagency Council on the Homeless

SALARIES AND EXPENSES

Appropriations, 1989	$1,100,000
Budget estimate, 1990	1,200,000
House allowance	1,200,000
Committee recommendation	1,100,000

PROGRAM DESCRIPTION

The Interagency Council on the Homeless was authorized by the Stewart B. McKinney Homeless Assistance Act in 1987. It is an independent organization composed of 15 designated Federal agencies with a chairman elected by those agencies and an executive director appointed by the chairman. The Council reviews Federal activities and programs to help the homeless. It works with State and

local governments and private organizations on homeless-related efforts. The Council also collects and disseminates information and prepares reports on the homeless issue for the Congress and the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,100,000 for the Interagency Council on the Homeless. This is $100,000 less than the level contained in the budget request and the House allowance, but the same level as the 1989 enacted level.

The Committee believes that the Council has not taken as active a role as was envisioned in its authorizing legislation. It is the hope of the Committee that the Council will fully participate in the formulation of policy for homeless activities and will make a more substantial effort to coordinate the various homeless programs implemented under the McKinney Act. Again, in the absence of such participation by the Council, the Committee believes that funds could be better utilized in direct assistance accounts.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

Appropriations, 1989	$4,166,700,000
Budget estimate, 1990	5,751,600,000
House allowance	5,203,100,000
Committee recommendation	5,324,600,000

PROGRAM DESCRIPTION

The objectives of the National Aeronautics and Space Administration's [NASA] program of research and development are to extend our knowledge of the Earth, its space environment, and the universe; to expand the practical applications of space technology; to develop, operate, and improve unmanned space vehicles; to provide technology for improving the performance of aeronautical vehicles while minimizing their environmental effects and energy consumption; and to assure continued development of the aeronautics and space technology necessary to accomplish national goals.

The appropriations request would continue funding for a permanently manned space station, including development work on the hardware components and supporting development activities such as systems engineering and integration, and the technical and management information system. Definition and preliminary design of the Flight Telerobotic System Program would also be continued.

Another major area of activity is space transportation capability development including efforts related to the spacelab, the upper stages that place satellites in high altitude orbits not attainable by the shuttle, the engineering and technical base, payload operations and support equipment, advanced programs study and evaluation efforts, the development of the United States/Italy tethered satellite system, and development of the orbital maneuvering vehicle. Funding is included to continue definition and preliminary design activities on the assured crew return capability for the space sta-

tion. Technology development and advanced launch system study activities will continue along with the definition studies on critical propulsion systems.

The space science and applications program utilizes space systems supported by airborne and ground-based observations to conduct scientific investigations of the Earth and its space environment, the Sun, the planets, interplanetary and interstellar space, and the other stars of our galaxy and universe. Results from these investigations contribute to our understanding of the universe, including the key questions of life, matter, and energy. In addition, this program conducts the research and selected technology developments to encourage the practical application of space technologies to needs on Earth. Funding is included to initiate development of the comet rendezvous asteroid flyby [CRAF]/Cassini mission. These missions will send one spacecraft to study at close range a comet and its total environs and a second spacecraft to study the plant Saturn, its atmosphere, rings, and its moon, Titan.

Commercial programs include the technology utilization and commercial use of space. The Technology Utilization Program is designed to facilitate the transfer of NASA developed technology to the nonaerospace sectors of the U.S. economy. The commercial use of space is designed to increase private sector awareness of the opportunities in space. Private industry will be encouraged to invest and participate in high technology research and development utilizing the unique characteristics of space.

The objective of the aeronautical research and technology program is to provide the broad technology base essential to the preservation of U.S. leadership in aviation. The objectives of the space research and technology program are to provide the technology base necessary to support current and future space activities and to formulate and advance technology options for the future. These activities emphasize the longer-range aspects of generic research and technology development which are crucial in maintaining future U.S. leadership. Funding is included to initiate the In-Space Flight Experiments Technology Program which provides for the design and development of space experiments to provide validated technologies for incorporation in future space projects.

The objective of the joint NASA/DOD transatmospheric research and technology program is to explore new approaches for cost-effective hypersonic flight in the atmosphere with the capability to accelerate to orbit.

The safety, reliability, and quality assurance program will continue to support activities in safety, reliability, quality assurance, maintainability systems engineering, and program practices including independent assessment activities which reduce program risk.

The university space science and technology academic program will support graduate student fellowships, faculty fellowships, the historically black colleges and university research program and the space grant college and fellowship program.

The overall objective of the tracking advanced systems program is to perform studies to ensure capability for tracking and data acquisitions, communications, and data processing support required by all NASA flight projects in accomplishing their mission objectives.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $5,367,600,000 for research and development activities. This amount is $1,175,900,000 above the fiscal year 1989 enacted level, $164,500,000 above the House allowance, and $384,000,000 below the budget request.

The Committee recommends $1,850,000,000 for the space station program, $200,000,000 below the budget request, but $194,800,000 above the House level. The Committee's space station recommendation is summarized as follows:

	Request	Change
Space station:		
Development	$1,970,200,000	−$200,000,000
Flight telerobotic servicer	15,000,000	+65,000,000
Operations	25,000,000	−25,000,000
Transition definition	25,000,000	−25,000,000
Orbital debris radar	15,000,000	−15,000,000
Total	2,050,200,000	−200,000,000

Within the station program, the Committee has reduced the development line $200,000,000 below the budget request, but $194,800,000 above the House level. Like the House, the Committee is constrained to a level below the President's request for this aspect of the station program because of the subcommittee's severe shortfall in its 302(b) outlay allocation.

Nevertheless, the Committee has recommended a level higher than the House because of recent analysis, done by NASA at both Committees' request, on the effects of the House-passed space station budget, an amount $400,000,000 below the President's request in 1990. That study, known as the Langley review, concluded that a cut of this size in 1990 would, among other things, require cutting the block I space station power by one-half, from 75 kW to 37.5 kW, and reducing the station's crew size from eight to four.

The Committee finds these alternatives unacceptable. First, a space station descoped in this fashion would substantially reduce the capacity of the program to meet the challenges required to carry out the President's initiative for long-term space exploration. Second, it would dramatically reduce the early scientific capability of the space station, a key factor in the Committee's support for this program. Third, the Committee believes that reducing the scope of block I of the space station in this fashion could have a serious, adverse, and permanent effect on the ability of the United States to conduct joint scientific projects with our international partners in Europe, Canada, and Japan. Finally, NASA has written to the Committee indicating that the level provided in the Committee's recommendation, $1,850,000,000, is the minimum amount needed to sustain the space station program in a fashion which will guarantee a block I space station that has 75 kW of power when the station has a permanently manned capability, now scheduled for mid–1998.

Since NASA's final review of the Langley study is not yet complete, the Committee expects to be fully consulted on any final space station design configurations prior to any final agency decision on this matter.

The Committee has deleted, without prejudice, bill language proposed by the House that requires that not more than 50 percent of any reduction in space station development costs be taken from the four work package prime contracts. The House included this language out of concern that NASA's program overhead costs for the space station were consuming far too high a level of the space station's total development budget. While the Committee shares the House's concern about excessive management costs in the space station budget, it believes the House language will unduly restrict the agency's flexibility to properly manage the station program.

The Committee does believe that certain portions of the nonprime contract portions of the space station development budget could be reduced in 1990 without significantly affecting the content or the schedule of the station program. For example, work package two's nonprime contract costs are expected to nearly triple from fiscal year 1989 to fiscal year 1990, from $61,000,000 to over $170,000,000. While some increase should be expected in this area as the program moves further into advanced development, growth of this level seems higher than necessary. The Committee expects the agency to reduce this increase when it submits its 1990 operating plan. In addition, the Committee is concerned about the current plans which indicate that nonprime development costs will remain fairly constant as a percentage of the overall station development budget in all future years. As a result, the Committee directs NASA to submit an annual report, concurrent with the submission of the President's budget, on space station nonprime development costs and steps it is actively pursuing to reduce these costs.

The Committee concurs with the House in adding $65,000,000 to the $15,000,000 request for the flight telerobotic servicer [FTS]. This will provide for a total FTS program of $80,000,000 from within funds made available for the space station. This level should ensure that flight demonstrations scheduled for 1991 and 1993 aboard the space shuttle remain on schedule. Recent information from NASA suggests that the FTS may prove even more necessary for expediting on-orbit assembly of the station and in turn lower risks to astronauts by reducing the time needed for them to remain outside of the shuttle to manually assemble the station.

The Committee concurs with the House in transferring the $15,000,000 requested for the orbital debris radar from the "Research and development" account to the "Construction of facilities" account.

The Committee is strongly committed, as is the House, to increasing the role of minority- and women-owned businesses in the aerospace industry in general and the space station program in particular. While NASA's agencywide record in this area is among the best of all Federal agencies, its record on the space station program has been disappointing at best.

At the same time, the Committee is concerned about placing a 10 percent minority- and women-owned business requirement on the space station program without having had sufficient time to review

both the feasibility and programmatic effect of such a goal, particularly while the space station program itself if undergoing a significant content review. For this reason, the Committee has inserted bill language which raises NASA's overall minority- and women-owned business set-aside requirement from 5 to 6 percent immediately, and permits the agency to work up to an annual rate of 6 percent in the space station program by the time it reaches full operational status in the mid-1990's. This proposal should provide a substantially larger base from which minority- and women-owned businesses can draw on an annual basis than a 10-percent set-aside within the space station program. The language requires a report from the NASA Administrator on his efforts to fully implement and enforce this requirement 1 year after the date of enactment.

The Committee also concurs with bill language added by the House that would limit the reduction which NASA could make in work package three in fiscal year 1990 to no more than 10 percent of the $107,000,000 requested in the budget. This will insure that the Earth observing system [EOS], scheduled as a new start in fiscal 1991, and the space station's polar platforms, which are essential to EOS, will not be adversely affected by a reduction in funds for the space station.

Finally, the Committee has added bill language delaying the availability of $750,000,000 of the total amount provided for the space station until June 1, 1990. This delay will provide the National Space Council with sufficient time to develop a specific plan for determining how the space station program will be used as a catalyst for implementing the President's long-term space exploration initiative.

For space transportation capability development, the Committee recommends the following:

- —$10,000,000 from the $88,600,000 requested for upper stages. This is a reduction of $5,000,000 less than that proposed by the House. From within this amount, the Committee directs NASA to absorb $6,500,000 for upper stage activities needed for the advanced communications technology [ACTS] satellite.
- —$15,000,000 from the $189,800,000 requested for the engineering and technical base, a reduction of $5,000,000 more than that proposed by the House. None of this reduction should be taken from safety, reliability, management, and quality assurance [SRM&QA] activities.
- —$16,300,000 for payload operation and support. These reductions are to be taken from space station support (—$12,800,000) and commercially developed space facility activities (—$3,500,000). The Committee expects any space station support activities to be absorbed in the development costs provided for the space station program.
- —$12,000,000 from the $48,700,000 requested for advanced programs. The Committee concurs with the House in recommending that $5,000,000 of this total be taken as a general reduction. In addition, while the Committee concurs in deleting the $7,000,000 requested for studies of a space station crew rescue vehicle in 1990, it does not agree in recommending deletion of the $8,000,000 carried over for this purpose from 1989.

—$5,000,000 from the $5,000,000 requested for advanced launch systems. The Committee expects any funding for this program to be transferred from the Department of Defense as has been the case in prior years.
—$12,500,000 from the $107,000,000 requested for the orbital maneuvering vehicle, a reduction of $2,500,000 more than that proposed by the House.
+$15,000,000 for the continuation of phase A/B studies on the Shuttle-C.

The Committee concurs with the House in recommending bill language delaying the obligation of $384,000,000 of space transportation capability development funds until April 15, 1990. The Committee does not expect this to cause any significant program disruption.

For space science and applications, the Committee recommends the following:

+$22,000,000 for the gravity probe (B) mission. This is the same level proposed by the House and restores this important basic science program to the level requested by NASA in their budget submission to the Office of Management and Budget.
—$15,000,000 from the $23,000,000 requested for space station integrated planning and attached payloads. This will still guarantee the same level for this activity as was funded in fiscal 1989. Any additional funds needed for this work should be provided from the space station program.
—$15,000,000 from the $124,200,000 requested for life sciences. The Committee recommends a general reduction of $10,000,000. In addition, the Committee proposes a reduction of $5,000,000 in the Search for Extra Terrestrial Intelligence [SETI] Program. While the Committee appreciates the potential value of this project, it believes that tripling the size of its budget, in light of the severe budget constraints facing NASA, is unjustified. The Committee recommends the full appropriation request of $3,000,000 for specialized centers of research within the life sciences budget.

The bill also includes the full budget request for the LIFESAT Program.

—$10,000,000 from the proposed initiation of the Comet Rendezvous Asteroid/Flyby [CRAF]/Cassini Program. The Committee recommends this action, without prejudice, in light of the severe constraints it faces in the subcommittee's 302(b) outlay allocation. NASA has testified before the Committee that maintaining its core programs, its personnel and institutions, the space shuttle, basic space science, and the space station are its highest priority. Since the Committee is recommending a reduction in the agency's budget request of over $900,000,000, it believes this reduction in this new start in the planetary program is justified at this time. The Committee notes, however, that the House has fully funded the CRAF-Cassini mission and fully expects this issue to be addressed in conference with the House. Should additional outlay relief be provided for NASA prior to that time, the Committee would entertain a complete or partial restoration of this reduction.

+$15,000,000 to the $434,300,000 requested for Earth sciences. Given the growing awareness of the problems we face as a result of global change and the potential for global warming, the Committee believes it is essential to sustain a high level of effort in this area. Of this increase, $5,000,000 is to be applied to the $2,300,000 requested for interdisciplinary research and analysis for further research on global change. This is $4,000,000 above the House request. The remaining $10,000,000 of this increase is for continued development of the instruments for the total ozone mapping spectrometer satellite [TOMS].

−$2,000,000 from the $92,700,000 requested for materials processing in space. This reduction is consistent with the Senate authorization bill. The reduction is to be taken at the agency's discretion.

+$62,000,000 for the advanced communications technology satellite [ACTS] experiment. The House recommendation provides no funds for this program. The Committee continues to express its frustration that the Office of Management and Budget continues to remove this project from the President's budget despite the fact that it is scheduled to launch in 1992. The Committee believes that the ACTS program will provide the United States with valuable communications satellite technology which will strengthen our competitiveness and thus, its restoration in the budget is essential.

−$5,000,000 from the $34,100,000 requested for information systems. This is the same level proposed by the House.

The Committee has included bill language delaying the availability of but $1,000,000,000 of the $2,047,300,000 appropriated for space science and applications until April 1, 1990. The Committee does not expect this to have any significantly detrimental programmatic effect.

For commercial programs, the Committee recommends the following:

−$5,000,000 from the $61,000,000 requested for this activity. This reduction is to be applied at the agency's discretion. The House had proposed that this activity be reduced by $10,000,000, with all funds to be taken from the commercial use of space element in this activity.

From within this amount the Committee recommends the full budget request of $3,000,000 for the AdaNET project. The agency included $2,700,000 in its fiscal 1989 operating plan to begin development of this program. AdaNET will allow the transfer of Ada software to the commercial sector. This will stimulate the reuse of software applications into the manufacturing, automation, and robotics sectors. It will also eliminate duplication of software and program efforts by Government and industry.

In addition, the Committee recommends $4,000,000 from within the commercial programs budget be allocated to initiate and establish the National Technology Transfer Center [NTTC] at Wheeling College in Wheeling, WV. The Committee included funds in fiscal 1989 to do a definition/design study for the NTTC. That study has now been completed and its results demonstrate the many benefits which would result from such a center. The NTTC would promote

the private sector use of federally funded and developed technologies. This effort should help stimulate economic development on a nationwide basis and enhance the ability of the United States to compete in world markets.

The Committee does not concur with the House earmark of $625,000 for Rural Enterprises, Inc.

The Committee recommends $3,000,000 within the technology utilization element for an expanded multiengine environmental demonstration of the Stirling engine. NASA should consult with other Federal agencies to determine if there is the potential for interagency cost sharing for this effort before finalizing plans for this initiative.

Finally, the Committee has transferred the $2,500,000 requested in commercial programs for the development of a wake shield facility to the "Construction of facilities" account.

For aeronautics research and technology, the Committee expects NASA to provide the full budget request, including $3,100,000 for the rotary engine technology development program. In addition, the Committee notes NASA's interests in efforts to develop materials and structures technology necessary for advanced high temperature propulsion and thermal protective systems for use in interplanetary exploration and Earth reentry. The Committee urges NASA to review the need for advanced civil propulsion and reentry vehicles with a particular focus on new fibers and composite materials systems. Should NASA determine that this proposal merits funding, the Committee encourages NASA to initiate planning for this program in fiscal year 1990. The Committee expects NASA to report back to it on this subject by February 1, 1990.

For space research and technology, the Committee recommends the following:

- —$17,500,000 from the $144,500,000 requested for the civil space technology initiative, the same level as proposed by the House. The reduction may be taken at the agency's discretion.
- —$15,700,000 from the $47,300,000 requested for the Pathfinder program. This reduction may be taken at the agency's discretion. This reduction is $9,300,000 less than was proposed by the House.
- —$6,000,000 from the $16,200,000 requested for in-space flight experiments. This reduction is consistent with the Senate authorization bill and should be taken at the agency's discretion.

The Committee is concerned that NASA's space technology programs are not sufficiently focused to meet the needs of long-term space exploration as outlined in the President's speech in July. As a result, the Committee directs NASA to provide it with a report on what specific technologies will be needed to meet the development and operational requirements of the President's space initiative by February 1, 1989. This report should prioritize these technologies from both a technical and financial standpoint. In addition, the report should contain a funding profile for the next 5 years on what these technologies will require to meet the Nation's future space exploration needs.

Additional recommendations by the Committee in research and development include the following:

—$127,000,000 from the $127,000,000 requested for transatmospheric research and technology for the continued development of the national aerospace plane [NASP]. The House provided $98,000,000 for this program. The Committee has reluctantly taken this step because of pressures on the NASA budget due to the subcommittee's 302(b) outlay allocation. In addition, the House figures come at the expense of adequately funding the space station at a level which will enable it to maintain sufficient power and scientific capability for use early in its scheduled deployment.

+$4,000,000 to the $35,000,000 requested for university programs. Of this amount, +$1,000,000 to expand the NASA Aerospace Education Services Program, commonly known as the spacemobile program. This program has been highly successful in helping to enhance teacher and student education in science, mathematics, and technology. The remaining $3,000,000 above the request is for additional space grant college and fellowship designation awards from applications submitted by colleges/consortia in the original competition.

—$13,000,000 general reduction in research and development activities, to be taken at the agency's discretion, subject to the normal reprogramming guidelines, except for those programs or activities specified for increases in the Committee's recommendations.

From within amounts made available for educational programs, the Committee concurs in the House earmark of $1,400,000 to Wheeling College to establish and equip a computer software program which will be used to develop software for space science education at the college and other sites throughout the Nation.

The Committee continues to be interested in the development of appropriate research and training initiatives associated with expanded space station operations activity. To better apprise the Committee of the potential need for support activities, NASA is directed to prepare and submit to the Committee not later than February 15, 1990, an assessment of the design and need for a space operations research and training center. It is anticipated that such a center may be needed as a means of aiding in the training and the conduct of research or activities related to the operation of ground systems associated with concentrated manned activity on space station *Freedom* and ultimately in extraterrestrial-based, manned activity. There has been some discussion about the need for a space operations research center, but its character and cost remain unclear. It is expected that as a part of the report, a plan for the establishment of the center in fiscal year 1991 will also be presented.

The Committee is concerned that NASA's university research and support activities are unduly limited in their geographical distribution. In part, this is understandable due to the limited experience the agency has had in nonmission oriented research and development programming. It is clear, however, that there is widespread and growing recognition of the value and importance of aerospace technology and many institutions which have traditionally not competed for NASA grants are now seeking such support.

While in the past it was permissible to simply demand quality and experience in scientific proposals, it now is more important that the agency should be mindful that a national space program broaden participation in these expanding activities.

The Committee is highly supportive of the National Science Foundation EPSCOR program because it addresses this very critical requirement. That program is focused toward identifying and assisting institutions which have traditionally not participated in the competitive basic research programs of the Foundation. This is an especially meritorious approach because it does not involve a diminishment of the application of competitive standards in the determination of research awards, but rather assists potential participants to compete more effectively.

The Committee there urges NASA to review its current research program to identify how barriers to effective participation of such institutions can be expanded and to consider adopting strategies such as EPSCOR to promote greater geographical diversity in its research awards.

The Committee does not concur in the House language directing NASA to add an additional criteria in selecting schools for participation in the Space Grant College and Fellowship Program. The legislative history on this program makes clear that research should, in fact, be de-emphasized to avoid competition with university research programs in NASA's program offices.

The Committee is concerned about both the development and operational costs which NASA incurs due to the loss of, or risk of losing, sole source suppliers whose work has not been previously identified as a single-point-of-failure by the agency. A study of this risk to the entire Federal Government was begun last year at the direction of the National Security Council. The Committee encourages NASA to continue to monitor this problem carefully and to submit a report to the Committee on those known single-points-of-failure, particularly in the space station program, by March 1, 1990. This report should carefully identify vital subcontractors and their respective activities in addition to other readily identifiable major program activities. In the event that NASA faces threats from the loss of a vital sole source supplier in the future, whether in development or operational programs, the Committee expects notification prior to the expenditure of funds to alleviate this problem, unless such a notification would create a delay that would pose a threat to the integrity of the program or a risk to the Nation's security.

Finally, the Committee concurs with the House in capping 1990 amounts for certain NASA programs with the exception of the Hubble space telescope. The Committee is particularly distressed that since enactment of last year's appropriations bill, no less than five space science development projects have required raising the cap included in the fiscal 1989 conference report. Given the extremely tight budget constraints which both NASA and the Congress face in light of a large structural Federal deficit coupled with specific Gramm-Rudman-Hollings targets, the Committee continues to emphasize to NASA the need to keep development projects ontime and within cost. The only alternative is to require NASA to

live within statutory caps which would force projects that risk running over their cap to either descope or be canceled.

Gamma ray observer	$26,700,000
Galileo	17,400,000
AXAF	44,000,000
Mars observer	100,500,000
Upper atmospheric research satellite	73,900,000
CRAF/Cassini	20,000,000

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

Appropriations, 1989	$4,364,200,000
Budget estimate, 1990	5,139,600,000
House allowance	4,709,600,000
Committee recommendation	4,639,600,000

PROGRAM DESCRIPTION

The space flight, control and data communications appropriation provides for the production and operational activities for the space transportation system and the tracking, telemetry, command, and data acquisition support of all NASA flight projects.

Shuttle production and operational capability and space transportation operations are the key elements of the space transportation system that are contained within this appropriation. The shuttle production and capability development program provides for the national fleet of space shuttle orbiters including main engines, launch site and mission operational control requirements, initial structural and operational spares, production tooling, and related supporting activities. Design and development activities will continue to complete those activities associated with the redesigned solid rocket motor, and to develop the advanced solid rocket motor. Development of improvements to the Shuttle for extending the stay time in orbit will be continued, and for expendable launch services for selected space science and applications missions consistent with implementation of the mixed fleet concept.

The space tracking and data acquisition program, using ground-based and satellite (tracking and data relay satellite system) components, provides vital tracking, telemetry, command, and data acquisition support for Earth-orbital spacecraft, planetary missions, sounding rockets, balloons, and research aircraft. Work will continue on the replacement tracking and data relay satellite spacecraft and on the second TDRSS ground terminal. Facilities are also provided to process into meaningful form the scientific, applications, and engineering data which are collected from flight projects.

COMMITTEE RECOMMENDATION

The Committee recommends $4,639,600,000 for space flight, control, and data communications activities. This is $275,400,000 above the 1989 enacted level, $70,000,000 below the House level, and $500,000,000 below the budget request. The recommendation includes the following increases, decreases, and changes to the program areas described below:

—$399,200,000 from the $4,037,500,000 for the space transportation system (space shuttle). This reduction is $19,800,000 more

than the reduction proposed by the House. The reduction may be taken at the agency's discretion from the shuttle production or shuttle operations activities, subject to the Committee's normal reprogramming procedures. The Committee fully expects that portions of this reduction will be offset as a result of the $217,000,000 provided in the bill for Air Force shuttle activities that will be directly transferred to NASA for its use in shuttle-related activities, again subject to the normal reprogramming procedures.

+$34,800,000 to the $15,200,000 requested for space shuttle structural spares. The structural spares program funds major hardware components of the space shuttle orbiter such as the wings, crew module, payload bay doors, and orbital maneuvering system pods. The Committee recommendation is $9,800,000 above the House level and will provide for a structural spares program at the original level NASA submitted in its budget to the Office of Management and Budget. The Committee is concerned that the President's request for this program, which is a reduction below the fiscal 1989 level of $5,100,000, is insufficient to preserve critical skills and tooling that could pose serious risks to the shuttle program.

The Committee has deleted bill language, proposed by the House, directing NASA to use $50,000,000 in funds previously appropriated for construction of orbiter 105 for activities within the "Space flight, control, and data activities" account. The House directed that $25,000,000 of these funds go for structural spares and that $25,000,000 be added to the $25,000,000 requested in the budget for additional w on the extended duration orbiter [EDO]. The Committee has recommended sufficient funds for structural spares independent of drawing on orbiter 105 funds. In addition, NASA has indicated to the Committee that prospects for commercializing partial development of the EDO should eliminate the need for funds above the budget request for this activity. While construction of orbiter 105 is proceeding ontime and with some apparent cost savings, the Committee believes it is more prudent to hold any excess funds in reserve for this activity.

−$35,000,000 from the $121,300,000 requested for the advanced solid rocket motor program. This is made possible by a larger than expected carryover of fiscal 1989 funding of as much as $35,000,000 due to delays in finalizing the contract between NASA and the project's prime contractor.

−$100,000,000 from the $1,102,100,000 requested for tracking and data acquisition. This is a reduction of $50,000,000 more than the House level. The Committee fully expects that portions of this reduction will be offset as a result of the $217,000,000 provided in the bill for Air Force shuttle activities that will be directly transferred to NASA for its use in shuttle-related activities, subject to the normal reprogramming procedures. This reduction should be taken at the agency's discretion, but sufficient funds should be allocated to maintain needed levels for space network operations, engineering, and support, as well as to keep the White Sands ground terminal system replacement on schedule. Within the tracking and data acquisition activity,

the Committee has included funds to begin phase B studies on the advanced tracking and data relay satellite system [TDRSS]. The Committee is concerned, however, about reports which indicate that the Department of Defense [DOD] may be considering developing its own TDRSS system. As a result, the Committee directs NASA to assure that any phase B studies begun on the advanced TDRSS include sufficient capacity and compatibility for both NASA and the DOD.

The Committee concurs with the House in recommending that NASA may withhold, until the fourth quarter of fiscal 1990, the $227,000,000 requested for payment to the Federal Financing Bank for the TDRSS program. This payment is made annually in connection with the off-budget financing of the TDRSS program. The Committee recommends withholding payment until the fourth quarter to provide NASA the flexibility in connection with any unforseen shuttle safety or operation costs during fiscal 1990.

The Committee also concurs with the House in recommending bill language delaying the availability of $1,400,000,000 of shuttle production and operation funds until April 15, 1990. The Committee does not anticipate that this delay will unduly disrupt program activities.

The Committee has included bill language in the administrative provisions portion of the NASA appropriation which prevents the expenditure of any funds in the bill if such expenditure would cause total fiscal year 1990 expenditures for space flight, control, and data communications programs contained in this or prior year acts to exceed $4,686,161,000. This will result in $100,000,000 less in expenditures in fiscal year 1990 and is possible due to less than expected costs in the construction of orbiter 105.

CONSTRUCTION OF FACILITIES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1989	$290,100,000
Budget estimate, 1990	341,800,000
House allowance	384,300,000
Committee recommendation	341,000,000

PROGRAM DESCRIPTION

This appropriation provides for the contractual services for the design, repair, major rehabilitation, and modification of facilities; the construction of new facilities; minor construction; the purchase of land and equipment related to construction and modification; and advanced design related to facilities planned for future authorization.

COMMITTEE RECOMMENDATION

The Committee recommends $341,000,000 for the construction of facilities, $43,300,000 less than the level provided by the House and $800,000 less than the President's budget request.

The Committee makes the following recommendations on the allocation of those funds:

—$3,500,000 for rehabilitation of the hypersonic tunnel at Plum Brook Station at the Lewis Research Center. The urgency of this project is reduced commensurate with the Committee's recommendation to delete funding for the national aerospace plane. The Committee does recommend that $600,000 remain available within this account for asbestos and PCB removal in the tunnel.

—$14,000,000, to be taken at the agency's discretion, subject to the normal reprogramming requirements.

The Committee concurs with the House in recommending $15,000,000 in the "Construction of facilities" account for an orbital debris radar facility. This funding was denied under the "Research and development" account. The Committee believes that this activity is more properly funded under the "Construction of facilities" account.

In addition, the Committee recommends $2,500,000 for a wake shield facility that was denied under the "Research and development" account in the commercial programs activity.

The Committee has also included bill language providing the administrator of NASA with the option of transferring up to $95,000,000 of the funds within the "Construction of facilities" account to the "Space flight, control, and data communications" account and/or the "Research and program management" account. The House provided permissive transfer authority of up to $35,000,000. These funds may be made available at the agency's discretion subject to the normal reprogramming procedures.

In light of the significant request for construction of facilities for space flight activities in the budget request, $53,400,000, the Committee has no objection to using a portion of the $217,000,000 provided in the bill for Air Force shuttle activities to be used to fund some of the requested activities. Any such use shall be subject to the normal reprogramming procedures.

From within the funds for construction of facilities, the Committee has included bill language designating $10,000,000,000 for the initial construction of facilities for the advanced solid rocket motor at Yellow Creek, MS.

Finally, the Committee does not concur with the House report language which would permit NASA to allocate up to $15,000,000 in construction of facilities funds for initial construction of the neutral buoyancy laboratory or the space station processing facility. While the Committee does not believe that the commercialization of these projects is the preferred approach to guarantee their construction, it opposes funding them at the expense of existing NASA projects. Should commercialization efforts fail on either facility, the Committee urges the Administration to submit a supplemental appropriations request to guarantee their construction.

RESEARCH AND PROGRAM MANAGEMENT

Appropriations, 1989	$1,855,000,000
Budget estimate, 1990	2,032,200,000
House allowance	1,957,200,000
Committee recommendation	1,982,200,000

PROGRAM DESCRIPTION

The research and program management appropriation supports the performance and management of research, technology, and test activities at NASA installations, and the planning, management, and support of contractor research and development tasks necessary to meet the Nation's objectives in aeronautical and space research. Specifically, this appropriation provides the technical and management capability of the civil service staff needed to conduct the full range of programs for which NASA is responsible; maintains facilities and laboratories in a state of operational capability and manages their use in support of research and development programs; and provides technical and administrative support for the research and development programs at NASA.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,982,200,000 for research and program management. This is an increase of $127,200,000 over the 1989 level, $25,000,000 above the House request, and $50,000,000 below the budget request.

The recommendation includes the following changes from the budget estimate:

—$13,750,000 from the $50,527,000 increase requested for personnel and related costs. This is a reduction of $13,750,000 less than the House level. The Committee expects this reduction to be taken at the agency's discretion. The Committee does not concur with the House language which directs that all reductions in personnel and related costs should be taken from the space station program. Instead, the Committee expects any reduction to reflect any pro rata reduction in the agency's various proposed fiscal 1990 program activities.

—$36,250,000 from the $90,073,000 increase requested for travel and operation of installations. This reduction is to be taken at the agency's discretion.

The Committee concurs with the House in expressing its concern about the potential negative consequences at the Goddard Space Flight Center to employees affected by the recently proposed skill mix change at the center. As a result, in addition to the reporting requirement requested by the House on this matter, the Committee directs NASA to allocate sufficient resources to the center to avoid any negative consequences to employees due to procedures adopted to implement this change. Specifically, the Committee fully expects NASA to offer employees the appropriate training if they are offered a job in another skill or craft, and to take all necessary and reasonable steps to avoid downgrading any employees. These resources should not come at the expense of other center programs and activities. Finally, the Committee notes that Goddard will un-

dergo major changes in preparation for the start of the Earth observing system. The Committee expects NASA to be able to properly address issues related to the skill mix change during this process. The Committee expects a report on this matter from the agency by November 1, 1989.

The Committee has included bill language which permits the transfer of $500,000 from the "Research and program management" account to the "Office of Inspector General" account, subject to the normal reprogramming procedures.

INSPECTOR GENERAL

Appropriations, 1989	[1]
Budget estimate, 1990	$8,795,000
House allowance	8,795,000
Committee recommendation	8,795,000

[1] Previously funded in the research and program management appropriation.

PROGRAM DESCRIPTION

The Office of the Inspector General [OIG] was established by the Inspector General Act of the 1978. The Office is responsible for providing agencywide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement. In accordance with the Inspector General Act Amendments, Public Law 100–504, a separate appropriation is being requested for the OIG. Previously, such activities were funded in the research and program management appropriation.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending the budget estimate of $8,975,000 for the new Office of the Inspector General in 1989.

National Credit Union Administration

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 1989	($600,000,000)	($880,000)
Budget estimate, 1990	(600,000,000)	(864,000)
House allowance	(600,000,000)	(864,000)
Committee recommendation	(600,000,000)	(864,000)

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95–630) as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration Board and is owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the facility, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the facility are the stock subscriptions from credit unions and borrowings.

The facility may borrow funds from any source, with the amount of borrowing limited by Public Law 95–630 to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee concurs with the House in recommending a limitation of $600,000 on the amount that may be borrowed from the public or any other source, except the Secretary of the Treasury, as proposed in the budget estimate.

The Committee concurs with the House that the central liquidity facility should not be prohibited from borrowing from the Federal Financing Bank and has not included such language in the bill.

The Committee also is denying a proposed transfer of funds from the community development revolving loan fund to the Neighborhood Reinvestment Corporation. In last year's report, the Committee requested that OMB make funds from this account to be made available, so that new loan advances could be made. Because OMB did not heed the Committee's report language, language has been inserted into the bill directing OMB to make these funds in the revolving fund available for disbursement.

The Committee requested an audit of the National Credit Union Administration's handling of the Franklin Community Federal Credit Union failure in Omaha. That audit is underway. The Committee also, however, requests that NCUA submit with its fiscal year 1991 budget request a report outlining: (1) how and why it was unable to detect the problems at Franklin and, (2) what steps have been taken to improve the oversight process to insure that such situations do not duplicate themselves at other credit unions.

ADMINISTRATIVE PROVISION

The Committee recommends a new administrative provision that amends the Federal Credit Union Act clarifying that the Community Development Credit Union revolving loan fund transferred to the NCUA in 1986 is subject only to the rules and regulations prescribed by the NCUA Board.

The Committee has included this language because of the failure of the OMB to make an allotment to the NCUA for use of any of the funds included in the revolving fund, since the Fund was transferred to the NCUA in 1986. Since that time, the NCUA has solicited, received, and reviewed loan fund applications from eligible low-income community development credit unions, but no loans have been made.

The Community Development Credit Union revolving loan fund received a $6,000,000 appropriation in 1979 and currently has a balance of $6,679,000. Congress intended that this 1979 appropriation would provide needed loans and technical assistance to low-income credit unions. In addition, this original appropriation was designed so that the revolving loan fund would be capitalized for use by credit unions in some of the Nation's poorest urban and rural communities. Congress did not anticipate that there would be multiyear delays in the making of loans nor that such large fund balances would remain inactive.

The Committee anticipates that the bill language which it has recommended will guarantee that the NCUA assumes full control of the revolving loan fund's current balance and implements its use consistent with Public Law 99-609, which transferred control of the fund to the NCUA.

National Institute of Building Sciences

PAYMENT TO THE NATIONAL INSTITUTE OF BUILDING SCIENCES

Appropriations, 1989	
Budget estimate, 1990	
House allowance	$500,000
Committee recommendation	

PROGRAM DESCRIPTION

The National Institute of Building Sciences [NIBS] was created by Public Law 93-383 in 1974 as a nonprofit, nongovernmental entity to be an authoritative national source to make findings and to advise both the public and private sectors of the economy, with respect to the use of building science and technology, in achieving nationally acceptable standards and other technical provisions for use in Federal, State, and local housing and building regulations. The basic mission of the Institute is to bring about a more rational housing and building regulatory climate and system and an effective mechanism for encouraging and facilitating the rapid and widespread introduction of existing and new building technology.

The Institute was to become self-sustaining after an initial period of Federal subsidy. During the fiscal years 1981-85, NIBS received $500,000 per year in Federal support from interest on a trust fund, which sunsets on September 30, 1989. The existing statute calls on NIBS to become self-supporting, deriving revenues from private sources, by fiscal year 1990.

COMMITTEE RECOMMENDATION

The Committee does not recommend that the Institute receive an appropriation. The House recommended that a direct appropriation of $500,000 be made to continue Federal support at its current level.

The Committee believes that the Institute should receive Federal funds through grants and contracts, but not through a direct appropriation. The Committee action is consistent with the original intent of the authorizing legislation. The Committee believes that the Institute has had sufficient time to achieve the goal of becoming self-sustaining, and further believes that if the Institute provides a valuable service in a credible manner, Federal agencies and private organizations will rely on it for its expertise.

NATIONAL SCIENCE FOUNDATION

Appropriations, 1989	$1,885,000,000
Budget estimate, 1990	2,149,022,000
House allowance	1,999,000,000
Committee recommendation	2,063,600,000

GENERAL DESCRIPTION

The National Science Foundation [NSF] was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81–507) and is authorized to support basic and applied research, science and technology policy research, and related scientific and science and engineering education programs to promote the progress of science and engineering in the United States.

The Foundation supports fundamental and applied research in all major scientific and engineering disciplines, through grants, contracts, and other forms of assistance, such as cooperative agreements, awarded to more than 2,000 colleges and universities and to nonprofit organizations and other research organizations in all parts of the United States. The Foundation also encourages cooperative efforts by universities, industries, and Government.

NSF also supports major national and international science programs including the U.S. Antarctic Program and ocean drilling program.

Finally, the Foundation supports major national supercomputing, astronomy, and atmospheric research facilities. It provides for five national university-based supercomputer centers at San Diego, Illinois, Cornell, Pittsburgh, and Princeton that serve all of the university-based research community. It also supports, through contracts, five national astronomy centers, and one national atmospheric research center. The centers provide telescopes and other facilities needed for advanced research. The six centers are: the National Radio Astronomy Observatory at Charlottesville, VA, which also operates the very large array radio astronomy facility near Socorro, NM, and a single-dish telescope at Green Bank, WV; the Kitt Peak National Observatory at Tucson, AZ; the Cerro Tololo Inter-American Observatory in Chile; the National Astronomy and Ionosphere Center in Puerto Rico; the Sacramento Peak Observatory

at Sunspot, NM; and the National Center for Atmospheric Research at Boulder, CO.

NSF is a leading Federal supporter of basic research at academic institutions. It is estimated that the Foundation provides approximately 25 percent of Federal support for basic research going to academic institutions. In some fields, NSF provides the dominant share of Federal basic research support, including almost 70 percent in ground-based astronomy, over 50 percent in environmental sciences, over 90 percent in environmental biology, over 50 percent in mathematics, and nearly 40 percent in engineering. The National Science Foundation operates no in-house laboratories. Except for administrative costs (approximately 5 percent) and operations support costs for the U.S. Antarctic Program (about 8 percent), over 99 percent of all Federal funds appropriated to NSF go directly to non-Federal performers of scientific and engineering research and science and engineering education activities.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 1989	$1,583,000,000
Budget estimate, 1990	1,803,022,000
Advance appropriations, 1990	37,500,000
House allowance	1,715,000,000
Committee recommendation	1,685,000,000

GENERAL DESCRIPTION

The research and related activities appropriation provides support for the Foundation's science, engineering, policy, and international research programs and administrative expenses. Separate appropriations are made for the science and engineering education activities, and the U.S. Antarctic Program.

The Foundation's discipline-oriented research programs are subdivided into the following activities; mathematical and physical sciences; engineering; geosciences; biological, behavioral, and social sciences; and computer and information science and engineering. Scientific, technological, and international affairs and program development and management are the other research and related activities within this appropriation.

In fiscal year 1990, the Foundation will maintain broad support across the mathematical and physical sciences, with special emphasis on the mathematical sciences materials research and strong experimental capability in all fields. Balance will also be maintained among individual research projects, special equipment programs, university laboratories, and national user facilities in accordance with scientific requirements. A new national high magnetic field laboratory is proposed. Support of undergraduate, graduate students and postdoctoral researchers, research instrumentation and equipment of all types will be stressed throughout. NSF also intends to give priority to support of high temperature super conductivity research, and completing construction of the very long baseline array [VLBA] for radioastronomy.

The program for engineering in fiscal year 1990 will continue to expand basic and applied engineering research, with continuing emphasis on engineering research centers. Special emphasis will

include development of undergraduate education, microscale chemical processing, small electromechanical and electronics devices, and downstream biochemical processing.

The biological, behavioral, and social sciences activity will place particular research emphasis on the following in fiscal 1990: cross-disciplinary research in areas related to biodiversity as well as biotechnology; establishing biological data bases and continued provision of advance research instrumentation, including multiuser equipment and computational resources. Increased emphasis on undergraduate activities including modernizing biology course curriculum.

In the geosciences activity, NSF intends to give priority to basic atmospheric research on regional weather, chemical processes in the atmosphere, and climate change; to Earth sciences related to earthquakes, and the structure and evolution of the continental crust; to ocean research related to oceanic crustal dynamics and chemistry; to continuation of an Ocean Drilling Program; and to research in the Arctic. A major research focus is the global geosciences initiative whose goal is to understand how the Earth functions as a system of interrelated processes. Support is also included for the National Center for Atmospheric Research. Operation of university and oceanographic institution research ships will also be supported.

The computer and information science and engineering activity supports fundamental research in the computer and information science disciplines, and research on and provision of advanced computing and networking capabilities. Research programmatic topics supported in 1990 include the creation, representation, storage, transmission, and transformation of information. Special attention is devoted to the computing and communications technologies employed to manage information processing, and to selected areas of application, such as automation, integrated electronic systems, and scientific computing. The activity also supports national centers for advanced scientific computing, supplying to researchers of all disciplines the most advanced scientific computation facilities available to the academic research community. The activity's NSFNET networking efforts build toward a national research and education network.

The scientific, technological, and international affairs activity supports programs which cut across scientific and engineering disciplines and across institutional and international boundaries to provide unique services to the science and technology community. Activities planned in fiscal year 1990 include programs that: support basic research by small businesses; enhance work of United States researchers by facilitating their cooperation with foreign scientists and increased support for work performed in Japan; provide research and analysis on public policy issues pertaining to science and technology; maintain comprehensive data bases on the Nation's science and engineering resources; and extend greater research opportunities to underrepresented segments of the scientific and engineering communities.

The science and technology center activity will operate a competition for a second class of science and technology centers. As in

the first competition, no areas or subjects of science have been preselected.

The program development and management activity provides for the operation, support management, and direction of all Foundation programs and activities and includes necessary funds to develop, manage, and coordinate NSF programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,685,000,000 for research and related activities. This amount is $102,000,000 above the 1989 enacted level, $30,000,000 less than the House allowance, and $118,000,000 less than the budget request. When coupled with the $37,500,000 advance appropriations in the 1989 Supplemental Appropriations Act, will provide a total fiscal year 1990 program level of $1,722,500,000.

The recommendation includes the following adjustments to the program areas described below:

—$2,600,000 from the $104,000,000 requested for program development and management. This reduction is to be taken from the funds requested within the "Research and related activities" account for the Office of the Inspector General. The Committee has provided these funds in a separate account. The Committee does not, however, concur in the general reduction of $7,000,000 in program development and management as proposed by the House. NSF's administrative expenses have historically stayed below 6 percent of their total budget, a fact that is a credit to the agency's senior management. In fiscal 1990, however, NSF will require additional administrative reserves to guarantee adequate staffing, to continue its internal automation improvements and to begin to implement its agency relocation plan. This latter requirement is particularly important in order for NSF to reduce its currently high rent costs. As a result, the Committee has provided the full request for program development and management. In addition, the Committee fully expects the agency to work with the General Services Administration to finalize its relocation plans as expeditiously as possible and to report back to the Committee once those plans are completed in a timely fashion.

—$115,400,000 from the $1,803,022,000 requested for research and related activities, to be applied equally across all disciplines except those programs for which the Committee has recommended the level requested in the President's budget. The Committee does not concur with the House direction in limiting the reduction of these disciplines for which NSF has requested an increase of 7.5 percent or less. At the same time, the Committee directs NSF, in applying the general reduction recommended for research and related activities, not to penalize those directorates or disciplines in which the Committee has recommended that specific programs be funded at the budget request level.

Given the Committee's inability to provide full funding for NSF's "Research and related activities" account due to the subcommittee's severe 302(b) budget outlay shortfall, the Committee questions

the wisdom of providing any of the $25,300,000 which the agency has requested for creating up to 25 new centers in engineering research, science and technology, or industry/university (competitive) research. While the Committee has not specifically deleted the requested funds for these new centers, it concurs with the House in urging the NSF to carefully consider the advisability of funding any new centers in fiscal 1990.

Within the amount for research and related activities, the Committee recommends the full request of $46,200,000 for global climate change research. The Committee believes this activity should be among the agency's highest research priorities because of the enormous impact on human welfare which global climate change can have. The Committee also recognizes that changes in the Earth's systems, such as desertification, drought, and global warming, can have serious economic and social impacts. Understanding and predicting global climate change is essential for developing policies and responses that mitigate the problem.

Additionally, the Committee reiterates its previous interest in ocean engineering, particularly as it relates to the Pacific basin and encourages NSF to continue its support for research in this area.

The Committee also recognizes the important role that the behavioral and social sciences can play in the area of global change. Public policies, regulation, industrial policies, and agricultural practices all have a cumulative effect in the biology and chemistry of the Earth's surface in ways not fully understood. The Committee believes the overall global change initiative will be enriched through related research in the behavioral and social sciences. The Committee also encourages the Foundation to explore the desirability of providing funds for archaeology research within the biological, behavioral, and social sciences directorate.

The Committee applauds NSF's efforts in the area of education and human resources. It is clear the failure to adequately support such activities will leave the country without an adequate supply of educated and trained people to sustain our position in a highly competitive global environment. Therefore, the Committee directs that the programs for women and minorities, minority institutional development support, and the experimental program to stimulate competitive research [EPSCOR] be maintained, as requested, at a level of $26,740,000. This will enable the agency to begin its women in engineering initiative and provide for up to five additional States to participate in the EPSCOR program. In approving this increase for the EPSCOR program, however, the Committee notes its concern about reports that certain facilities constructed in part with EPSCOR funds are now used in certain noncivilian research projects. The Committee wishes to reiterate its long-standing position, consistent with NSF's enabling legislation, that the Foundation and its resources are to be used predominantly for unclassified, civilian activities. The Committee urges the Director to review this matter and report back to the Committee on his findings.

The Committee has also included bill language, identical to that contained in the fiscal 1989 appropriations act, which prohibits individuals from being paid through grants at a rate in excess if $100,000. The Committee continues to believe that funds otherwise

provided for levels above $100,000 can be better utilized in the support of instrumentation, graduate student involvement, and the many other activities that are such a vital part of the research enterprise.

The Committee does not concur with the House earmark of $1,500,000 for proposals for access to computer capabilities not available at the NSF (national) supercomputer centers. The Committee believes this will hamper the flexibility of the computer and information science and engineering activity, particularly in light of the proposed general reduction in the overall research and related activities account.

The Committee has also included bill language delaying the availability if $900,000,000 of the research and related activities account until April 1, 1990. The Committee does not anticipate this will have any significant effect on the research program activities.

The Committee notes that increases in radio and optical astronomy over the last few years have lagged behind the overall increases in this account. The Committee is concerned that this trend could have an adverse impact on the health of the national astronomy centers and the development of new instrumentation. The Committee believes astronomy is an important discipline that deserves priority treatment.

The Committee is also interested in efforts to obtain international cooperation for two new 8 meter optical telescopes and requests a report on NSF's plans on this matter by March 1, 1990.

Finally, now that the Congress has provided sufficient funds for the replacement of the 100 meter telescope at the Green Bank Observatory, thus ensuring its viability as a national center, the Committee directs that staffing levels at this facility be maintained at no less than the current levels. In addition, the Committee directs NSF to maintain the existing construction schedule for the replacement telescope as outlined in the Foundation's letter to the Committee of September 8, 1990, and notes that it will monitor this activity closely.

ACADEMIC RESEARCH FACILITIES MODERNIZATION

Appropriations, 1989	
Budget estimate, 1990	
House allowance	
Committee recommendation	$20,000,000

PROGRAM DESCRIPTION

In 1988, the NSF published the second biennial survey to identify and assess the research facility needs of universities and colleges. A key finding of that survey is that for every dollar spent for repair or renovation, almost $4 in needed work is being deferred. In response to this finding, the Congress enacted that Academic Research Facilities Modernization Act of 1988 to assist in modernizing and revitalizing the Nation's research facilities at institutions of higher education, and other entities, through capital investment. The act provides a comprehensive framework for the competitive selection of proposals designed to reduce this backlog of research facility needs.

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On April 20, 1989, NSF published in the Federal Register draft guidelines for the implementation of research facilities programs. On August 3, 1989, NSF released its comprehensive plan for managing this program. The Foundation has established a Research Facilities Office to have responsibility over the Research Facilities program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $20,000,000 to initiate the activities authorized by the Academic Research Facilities Modernization Act of 1988. This is $20,000,000 above the House level, the 1989 level and the budget request. While the House provided no funds for this activity, the Committee notes that the House bill does not contain bill language contained in prior appropriation acts prohibiting the initiation of such a program.

The Committee has included these funds in its recommendations for the NSF because it recognizes that facilities at all types of academic institutions are a national resource contributing to the education, training, and research experience of today's and tomorrow's scientific and technical work force. While the $20,000,000 recommended is far less than the $125,000,000 authorized for this purpose in the Academic Research Facilities Modernization Act, the Committee believes it will provide for the selection of four or five proposals that will serve as demonstration projects in this area.

The Committee fully expects that the agency will select proposals on a competitive basis in a manner consistent with the authorization act. In addition, the Committee expects the Foundation to administer the facilities program with the following two goals in mind: to promote the modernization of science and engineering research laboratories and related facilities at institutions of higher education (at both graduate and undergraduate institutions), independent nonprofit research institutions, research museums, and consortia; and to assist those academic institutions, especially minority institutions (graduate and undergraduate) that historically have received little Federal research and development funds to improve their academic science and engineering infrastructures and broaden the Nations's science and engineering base.

Finally, the Committee has included bill language delaying the availability of funds in this account until September 1, 1990. This will allow eligible institutions to submit well formulated applications and should provide the Foundation with sufficient time to review all proposals before making any awards.

U.S. ANTARCTIC PROGRAM ACTIVITIES (NONDEFENSE)

Appropriations, 1989	$131,000,000
Budget estimate, 1990	156,000,000
House allowance	74,000,000
Committee recommendation	73,000,000

PROGRAM DESCRIPTION

The U.S. Antarctic Program supports the national goals of maintaining the Antarctic Treaty, ensuring the continent will continue

to be used for peaceful purposes only, fostering cooperative research to contribute to the solution of regional and worldwide problems, and protecting the environment and achieving equitable and wise use of living and nonliving resources. This U.S. Antarctic Research Program continues to be the principal expression of national interest and policy in Antarctica.

In fiscal year 1990, the Foundation will continue to support research intended to increase knowledge of the Antarctic continent and surrounding oceans by developing an understanding of the Antarctic ice sheets and the Antarctic physical, biological, geological, meteorological, atmospheric, chemical, and oceanographic processes. Emphasis will be given to research on the biological effects of increased ultraviolet radiation due to ozone depletion. In addition, the Foundation will begin a multiyear initiative to address safety, environmental, and health aspects of the U.S. Antarctic Program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $73,000,000 for the U.S. Antarctic Program activities in fiscal 1990. This is $83,000,000 below the budget request and $1,000,000 below the House allowance.

The Committee's recommendation is summarized as follows:

—$73,000,000 from the $73,000,000 requested for the reimbursable support activities by the U.S. Naval Support Force stationed in Antarctica. The Committee has provided these funds in a separate defense account because they represent funds that are for U.S. naval operations which NSF transfers directly to the Navy.

—$10,000,000 from the $10,000,000 requested for the first year costs of a 5-year, $180,000,000 major environmental, safety, and health initiative in the Antarctic. These funds have also been included in the "Antarctic defense-related" account since these costs are operational in nature and are closely tied to the support activities of the U.S. Naval Antarctica Support Force.

The Committee recommends the requested level of procurement of a research vessel with icebreaking capability. The Committee, however, has deleted, without prejudice, bill language proposed by the House that states that the Buy American provision regarding this vessel, included in the 1989 appropriation act, does not apply to procurements covered by the General Agreement on Tariffs and Trade [GATT] agreement on Government procurements. The Committee continues to firmly support that Buy American provision and fully expects NSF to comply with the spirit and letter of this provision, including a guarantee that any final proposal comply with all U.S. shipping and Coast Guard safety standards.

U.S. ANTARCTIC LOGISTICAL SUPPORT ACTIVITIES (DEFENSE)

Appropriations, 1989	
Budget estimate, 1990	
House allowance	
Committee recommendation	$83,000,000

PROGRAM DESCRIPTION

The U.S. Navy provides the U.S. Antarctic Program with important procurement, operational, and construction support. These activities are funded through an appropriation to the National Science Foundation that is transferred to the Navy for reimbursement of applicable activities. These activities include: personnel support, air operations, surface transportation, Antarctic continent operations, and construction and procurement functions such as aircraft upgrading, the improvement for ground-based air traffic control equipment, the purchase of construction vehicles, and other related activities.

In addition, the 1990 budget includes initial funding for a major, multiyear initiative in safety, health, and environmental protection. A number of major safety and health improvement needs and environmental matters will be addressed, such as waste management and disposal, environmental monitoring, air traffic control facilities, communications reliability, and cleanup of past operations. A comprehensive approach to improvements in these areas is needed in order to deal with the significant problems that have accummulated over time.

COMMITTEE RECOMMENDATION

To enhance and protect the scientific activities of the U.S. Antarctic Program, the Committee has created a second account to provide NSF with resources to reimburse the Navy for its support and for other activities. The Committee has provided $83,000,000 for logistical and other services as well as to assist in the start of the environmental, safety, and health effort. This is the same level as requested in the budget under the "U.S. Antarctic Program activities" account. The House provided no funds for this activity.

The Committee supports the need to maintain an active and influential presence in this vital part of the world. That presence is dependent upon maintaining a complete and adequate set of aircraft capabilities. The Committee requests NSF to submit a report by February 1, 1990, assessing current and future aircraft capabilities, including heavy-lift aircraft as well as helicopter requirements. The report should address the need for replacement, a projected procurement schedule, and any advance procurement requirements that may exist, including those which would require funds in fiscal year 1991.

Of the $83,000,000, the Committee has included $10,000,000 for the first year of the Foundation's 5-year environment, safety, and health initiative. The Committee commends this initiative to improve environmental practices in the U.S. Antarctic Program. Environmental protection, while essential to the continued integrity

of scientific work in Antarctica, has been neglected for too long by the United States and other nations with operations in Antarctica.

It has become quite clear that a comprehensive cleanup of U.S. Antarctic facilities and an upgrade of waste disposal policy and technology must become a priority for the Foundation. The Committee expects the Antarctic Program to fully comply with all laws and agreements and to significantly reduce all sources of air, land, and water pollution from U.S. Antarctic operations. Furthermore, the Committee hopes that the Foundation's environmental program will provide a model for other nations to emulate.

Because the pristine Antarctic environment provides a unique natural laboratory worthy of the highest level of environmental protection, the Committee will closely monitor the use of these funds and expects the Foundation to improve its waste management practices in the Antarctic on the most expeditious timetable possible.

SCIENCE AND ENGINEERING EDUCATION ACTIVITIES

Appropriations, 1989	$171,000,000
Budget estimate, 1990	190,000,000
House allowance	210,000,000
Committee recommendation	200,000,000

PROGRAM DESCRIPTION

The Foundation's science and engineering education activity is designed to encourage the entrance of talented students into science and technology careers, to improve the undergraduate science and engineering education environment, and to assist in providing all precollege students with a level of education in mathematics, science, and technology that reflects the needs of the Nation and is the highest quality attained anywhere in the world.

Graduate research fellowships provide support for the Nation's most able students to undertake graduate study in science and engineering. Each fellowship in fiscal year 1990 will provide a student stipend of $12,900 per year and a yearly cost of education allowance of $6,000 to the fellow's chosen institution. In fiscal year 1989, the National Science Foundation awarded 860 new graduate fellowships of which 85 were minority graduate fellowships. It is expected that approximately 100 additional new fellowships will be provided in fiscal year 1990.

At the undergraduate level, support is provided for improvement of science laboratories at 2- and 4-year colleges through purchase of equipment and encouragement of equipment sharing arrangements. Matching requirements (50 percent) extend the impact of the program and serve in many cases to establish new partnerships between colleges and private sector organizations. In addition, other programs support special undergraduate faculty enhancement efforts, curriculum and course development and projects to address the underrepresentation of women, minorities, and the disabled in science and engineering.

The precollege programs are designed to enhance the status and professionalism of science and mathematics teaching as a career, encourage the development of cooperative relationships among all

segments of society that can assist in the improvement of precollege science and mathematics education, encourage the development of quality instruction programs, incorporate the usage of computers and other new technologies, support research in teaching and learning, identify new ideas and exemplary approaches to the long-term problems of continuing science and mathematics teacher education, and encourage talented secondary school students to consider careers in sciences and engineering.

COMMITTEE RECOMMENDATION

The Committee recommends $200,000,000 for science and engineering activities. This is $10,000,000 above the budget request and $10,000,000 less than the House allowance.

The Committee recommends the following enhancements to the budget:

+$5,000,000 to the $68,500,000 requested for precollege teacher preparation and enhancement activity.

+$5,000,000 to the $7,000,000 requested for the career access opportunities in science and technology for women, minorities, and the disabled.

The Committee has added these funds because it believes that science and engineering education activities still receive insufficient funding within NSF's overall budget. For example, in 1968, nearly 25 percent of the NSF budget was for science and education activities. Today, it stands at roughly one-half that figure. With the decline in the number of math and science teachers, Ph.D.'s, and engineers in the United States reaching crisis proportions, the Committee believes the Foundation should be devoting even more of its resources to this area, particularly at the precollege level where the number of students in the science and engineering pipeline drops so dramatically.

The Committee notes that the Department of Education also supports efforts to improve precollege math and science education programs. The Committee believes that closer cooperation between the Department and the Foundation would strengthen the effort to develop, disseminate, and use improved math and science curricula and enhance the abilities of teachers in this area. The Committee directs the NSF to continue with its efforts to improve cooperation between itself and the Department in areas of common concern.

In last year's report, the Committee directed NSF to do a report evaluating the quality of the teaching materials funded through its grant process. That report, submitted earlier this year, concluded in part that it was too early to determine the effectiveness of certain materials prepared as part of NSF's publisher initiative. The Committee directs the NSF to submit a follow-up report on this subject to the Committee by February 15, 1990, with particular focus on the publisher initiative and what steps can be used, including networks available through the Department of Education, to distribute these materials more effectively.

INSPECTOR GENERAL

Appropriations, 1989	(1)
Budget estimate, 1990	
House allowance	
Committee recommendation	$2,600,000

[1] The 1990 budget, as well as the House allowance, includes funds in the "Research and related activities" account.

GENERAL DESCRIPTION

The Office of Inspector General [OIG] was established within NSF in 1989 in accordance with the Inspector General Act Amendments of 1988. Prior to the establishment of NSF's OIG, auditing responsibilities were carried out by the Office of Audit and Oversight. The NSF inspector general reports directly to the National Science Board.

COMMITTEE RECOMMENDATION

The Committee has created a separate account for the NSF Office of Inspector General, and recommends an appropriation of $2,600,000 for it, the same level as the budget request. The Committee is concerned, however, about the funding ability of the NSF OIG to have any significant, independent auditing capabilities of NSF activities, particularly among NSF grant recipients when it has only 23 FTE's in its entire office. This is of particular interest to the Committee since the NSF 1990 budget request calls for the agency to issue over 17,000 grants in fiscal 1990. Therefore, the Committee directs the agency to submit a plan to the Committee by December 1, 1990, on how best to significantly improve the audit capabilities of its OIG over the next 3 years.

The Committee also notes increased interest in both the Congress and professional circles about the issue of misconduct in scientific research. The Committee in no way believes that this attention should be used as a justification to reduce Federal expenditures for basic and applied civilian scientific research. While the Committee commends NSF for establishing regulations which outline how NSF and its staff are to address allegations of scientific misconduct, it is concerned because they assign primary responsibility for detecting misconduct to the host of grantee institutions. The Committee believes that NSF should have a greater role in aiding the detection process and notes that the National Institutes of Health have established an Office of Scientific Integrity to aid them in this area. Therefore, the Committee directs NSF to prepare a report on the possibility of establishing an Office of Scientific Integrity which would be operational by October 1, 1990. This report should include staffing needs and costs associated with such an office. The report should be submitted by March 15, 1990.

In addition, the Committee believes that NSF's regulations governing scientific misconduct should be amended to require that each institutional applicant for NSF funds include in their application assurances that it has established a detailed written policy on dealing with allegations of scientific fraud and misconduct and that it has developed administrative mechanisms to review reports of fraud in accordance with NSF's misconduct regulations. A similar

requirement exists for institutions which seek grant funds from the Department of Health and Human Services.

NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 1989	$19,494,000
Budget estimate, 1990	14,581,000
(By transfer)	(6,679,000)
House allowance	21,260,000
Committee recommendation	27,260,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, Oct. 31, 1978). The Corporation, through the Neighborhood Housing Services [NHS] Apartment Improvement and Mutual Housing Association programs improves the quality of life in NHS neighborhoods for current residents, exerts a long-term stabilizing influence on the neighborhood business environment, reverses neighborhood decline and reduces the risks of doing business in the neighborhood. NHS programs have been positively impacting urban neighborhoods for several years. More recent experience is also demonstrating the success of this approach in rural communities when given the availability of adequate resources.

In 1990, the Corporation will continue to develop NHS and Mutual Housing Association programs to the extent resources allow; provide assistance to NHS programs expanding to additional neighborhoods; and assist local programs with designing and implementing the individual plans and strategies needed to accomplish their particular goals leading to the neighborhood becoming self-reliant. Ongoing technical services (training, internal systems analyses, interim staffing, et cetera) will continue to be provided to local programs to the extent that resources allow. The Corporation also plans to continue selecting neighborhood preservation projects for support, monitoring, and evaluation; and replicating promising strategies and mechanisms in other localities.

The Corporation also plans to continue providing, on a limited basis and subject to the availability of low-cost capital, resources to enable NHS's to expand their services to tackle the specific issues standing in the way of realizing neighborhood goals and achieving neighborhood self-reliance. With these supplements, the NHS can address such elements as more distressed neighborhoods, lower-income households, a higher proportion of renters and apartment buildings, more blighted buildings, scattered vacant lots, decaying commercial strips, lack of availability of affordable housing, and other negative conditions. Program supplements include the multifamily housing strategies, problem properties strategies, housing development strategies, and the neighborhood economic development and commercial revitalization strategies.

The Corporation will continue to provide fundraising counseling to NHS programs throughout the country, utilizing the assistance of Neighborhood Housing Services of America [NHSA], a private, nonprofit, State chartered, tax exempt corporation established to

give added private sector strength to NHS partnership organizations. NHSA provides fund-raising training seminars for NHS programs and direct fundraising counseling to NHS programs toward local, regional, and statewide fundraising goals. Additionally, NHSA is raising social investment capital in support of the NHS secondary market. Considerable progress has been made in the development of sound investment commitments. NHSA's capacity to keep pace with NHS secondary market needs with primary reliance on private, rather than Neighborhood Reinvestment, resources, however, is constrained by a difficult fundraising environment and an overriding need for local fundraising assistance.

The Corporation plans to expand the number of Mutual Housing Association developments, subject to availability of local and State capital grant resources.

COMMITTEE RECOMMENDATION

The Committee recommends $27,260,000 in new budget authority for the Corporation. This amount is $12,679,000 above the budget request and $6,000,000 above the House allowance. This level is $7,766,000 above the appropriation for fiscal year 1989.

The Committee concurs with the House in denying a proposal to transfer $6,679,000 from the community development revolving loan fund of the National Credit Union Administration.

The Committee directs the Corporation to use $6,000,000 of funds provided for furthering their secondary mortgage market activities, a revolving acquisition fund, and expanding mutual housing associations [MHA's]. The Committee is especially interested in further development of MHA's in downtown areas. The Director of the Corporation is to submit a plan to the Committee within 30 days of enactment of this bill outlining how these funds will be distributed among these activities and identifying the specific purpose of each proposed expenditure.

The Committee understands that the Corporation is considering expanding its activities and establish a field office in Hawaii. The Corporation has relied on mainland field service officers supplemented by temporary staff members hired in Hawaii. Staff turnover and reassignment have resulted in substantial amounts of time lost on orienting new mainland staff to Hawaiian institutions, as well as high travel costs. The Committee encourages the Corporation to fund the Hawaii project based on any increases received to the fiscal year 1990 budget request level.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 1989	$26,313,000
Budget estimate, 1990	26,313,000
House allowance	26,313,000
Committee recommendation	26,313,000

PROGRAM DESCRIPTION

The Selective Service System was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be pre-

pared to supply to the Armed Forces manpower adequate to insure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into the military through the reinstitution of the draft if mobilization occurs and if the legislative bar to reinstituting the draft is lifted.

Registration was reinstituted in July 1980. In January 1982, President Reagan reaffirmed the need for young men to register with Selective Service in order to save critical time in mobilization during an emergency.

Registration improvement is an integral part of the Selective Service efforts to maintain high compliance percentages. Since the reinstitution of registration in July 1980, Selective Service has been faced with the need to reestablish public awareness of registration requirements and to perform this important task with limited personnel and only part-time staff at the State and local level. Currently, Selective Service has mounted a limited public information campaign designed to inform young men of their obligation to register and the consequences of not doing so. The Selective Service is utilizing its resources in continuing promotional activities to keep registration information in the public eye.

In an effort to identify young men who have not registered, Selective Service is carrying out a Compliance Program. Procedures have been developed for matching computerized records of registrants with those of the Social Security Administration, the Veterans' Administration, the Department of Education, the department of motor vehicles within the various States and territories, and other agencies in the public and private sectors.

In December 1987, Selective Service was tasked by law (Public Law 100–180) to develop plans for a health care personnel delivery system capable of providing the necessary critically skilled health care personnel to the Armed Forces in time of war. Work on this task is ongoing using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends $26,313,000 for the Selective Service System. This is the same as the budget request and the House allowance.

Bill language has been included, as requested by the administration, providing that the Selective Service System be required to prepare no more than one report each year to the Congress covering the operation of the Selective Service System. They are currently required to prepare two reports.

Because of the continued fiscal constraints and the standby nature of the Selective Service System's mission, the Committee is concerned about the substantial amount of funds expended for senior management. Therefore, the Committee directs the Agency to report back to the Committee within 60 days on alternatives to the current management structure. Specifically, the Agency should evaluate the possibility that the Executive Director duties (or other senior management positions) could be handled by rotating reserve

officers or regional directors to be special assistants to the Director. Such an arrangement could broaden the cadre of individuals who have a thorough understanding of the operations of the Agency and enhance the Agency's mobilization posture.

The Committee is concerned with the definition for conscientious objection that is used by the Selective Service in its regulations, procedures manual, forms, and training. The current Selective Service definition requires the conscientious objector claimant to identify and describe the mental anguish that would result from participating in war. The Committee believes this definition utilizes a speculative psychological test of mental anguish rather than the better understood belief and sincerity test. The Committee is also concerned that this may be an incorrect standard not in conformity with the Military Selective Service Act and case law, specifically the standard used in *Clay* v. *United States*, 403 U.S. 698 (1971). The Committee, therefore, directs the agency to provide a report showing that its definition conforms to Federal case law.

TITLE IV

CORPORATION

Federal Deposit Insurance Corporation

FSLIC RESOLUTION FUND

PROGRAM DESCRIPTION

Section 215 of the Financial Institutions Reform, Recovery, and Enforcement Act [FIRREA] of 1989 (Public Law 101-73) establishes the FSLIC resolution fund as a separate fund under the management of the Federal Deposit Insurance Corporation [FDIC]. It assumes all assets and liabilities of the Federal Savings and Loan Insurance Corporation [FSLIC] except those expressly assumed by the Resolution Trust Corporation [RTC] under FIRREA.

To meet its obligations arising from past transactions of the FSLIC and other administrative expenses, the FSLIC resolution fund may use funds available to it from several sources: income earned on its assets; returns from receiverships not required for use by the Financing Corporation [FICO] or the Resolution Funding Corporation [RECORP]; proceeds from the sale of FICO bonds; and through 1991, insurance assessments on savings association insurance fund members not required for use by FICO or REFCORP. To the extent such funds are insufficient to meet the obligations of the FSLIC resolution fund, FIRREA authorizes to be appropriated to the Secretary of the Treasury such funds as may be necessary to cover the shortfall.

COMMITTEE RECOMMENDATION

The Committee recommends a current, indefinite appropriation for the FSLIC resolution fund for fiscal year 1990. The Committee has proposed this action for several reasons.

First, because of substantial uncertainty about the timing and magnitude of payments on the yield and capital guarantees in previous FSLIC assistance transactions. The Committee notes that the proposed budget estimate by the Office of Management and Budget for the resolution fund for fiscal year 1990 is higher than the estimate provided by the Congressional Budget Office.

Second, because the estimates of future income sources also are uncertain. Third, because potential restructuring of past FSLIC agreements, to be investigated by the RTC under FIRREA, may result in large front-loaded payments.

The Committee is concerned, however, about the effect each of these uncertainties could have on the overall deficit, as well as the Nation's financial services industry. As a result, it has, therefore, included bill language requiring the chairman of the Federal De-

posit Insurance Corporation to submit a quarterly report on the expected total costs to the FSLIC resolution fund in 1990, with the first report due on October 15, 1989.

Finally, the Committee wishes to make clear that should additional information become available on this subject, the Committee may entertain providing a specific sum for this account prior to completion of the conference with the House.

TITLE V—GENERAL PROVISIONS

The Committee concurs with all general provisions included in the House-passed VA, HUD, and Independent Agencies appropriations bill with the following exceptions:

Section 501 has been modified to include travel performed by the Offices of Inspector General in connection with audits and investigations in the exemption from the limitation preventing expenditures for travel expenses not to exceed the levels included in budget estimates submitted to the Committees on Appropriations. The Committee has included this language at the request of the inspectors general in the departments and agencies within the bill's jurisdiction in light of the fact that this is the first year when separate appropriations accounts have been created for them after passage of the amendments to the Inspector General Act of 1978 last year. In granting this exemption, the Committee wishes to make clear that it is transitional in nature. The Committee intends to review the need for this language during next year's hearings on the fiscal year 1991 budget.

Section 506 has been modified to include a provision amending title 31 of the United States Code to permit the Administrator of the Environmental Protection Agency to receive portal to portal transportation. This language was requested by the agency.

Section 509 has been modified to include a provision that exempts appropriations made for the Offices of Inspector General personnel compensation and benefits from the limitation on transferring funds between object classifications in accounts for personnel compensation and benefits in the bill. The Committee has included this language at the request of the inspectors general in the agencies within the bill's jurisdiction in light of the fact that this is the first year when separate appropriations accounts have been created for them after passage of the amendments to the Inspector General Act of 1978 last year. Like the Committee's modification to section 501 of the general provisions, the Committee wishes to make clear that it is transitional in nature. The Committee intends to review the need for this language during next year's hearings on the fiscal year 1991 budget.

In addition, the Committee has included bill language which permits HUD to use up to $2,000,000 for object classifications above the amounts set forth in the budget estimates for personnel compensation and benefits if it would otherwise lapse at the end of the fiscal year.

The House-passed version of section 516 has been deleted and an alternative proposal included in its place. That alternative would limit after January 1, 1990, the number of noncareer appointees to the Senior Executive Service [SES] in the Department of Housing and Urban Development and the Environmental Protection Agency to 15 percent of their SES positions, unless the Office of Personnel

Management [OPM] approves a waiver to exceed that limitation upon sufficient justification provided by the agency. OPM is required to report to the Congress prior to issuing such a waiver and certify in the report that such a waiver is essential for the agency to fulfill its basic mission and purposes.

The Committee's alternative to the House proposal was developed in consultation with the Senior Executive Association and represents an attempt to provide both HUD and EPA with reasonable flexibility, while at the same time protecting the basic integrity of each agency's career senior civil servants.

Current law provides that Government agencies may have up to 25 percent of their SES positions filled with noncareer appointees, with a 10-percent Governmentwide limitation. Allegations have been made in the past that HUD and EPA have filled SES positions with unqualified noncareer SES employees when there were sufficient, qualified career employees for the position, and that as a result, abuses occurred in program administration by some of the noncareer SES employees. In response to this concern, the House included section 516 to require that certain positions in these agencies, as well as all other agencies within the bill's jurisdiction, could only be filled by career SES employees.

The Committee's proposal, in requiring HUD and EPA to obtain the approval of OPM if they exceed the 15 percent level, is designed to require management flexibility and accountability simultaneously. The Committee expects OPM will establish criteria and standards by which to measure whether an SES position should be filled by a career or noncareer employee in these agencies. The Committee expects that those positions requiring management expertise and experience within HUD and EPA will be filled by career SES employees who have met the executive qualifications required by OPM for admission as a career appointee to the SES. Further, the Committee believes that noncareer appointees should only fill SES positions which are policymaking and directing in nature, rather than those which are predominantly managerial and operations oriented, since noncareer SES employees are not required to have specific managerial and executive experience. By establishing such standards, OPM should be able to evaluate whether or not the agencies need to exceed the 15 percent limitation on noncareer SES employees included in the bill.

In addition, the Committee expects OPM to conduct a review of HUD and EPA as required by section 3132(b) of title 5 of the United States Code to determine whether any additional SES positions at either agency should be designated as career-reserved. Such a review should be completed within 6 months after the date of enactment of this provision, and its results submitted in a report to the appropriate congressional committees.

Finally, the Committee has deleted section 517 that would prohibit any municipality from receiving community development block grant [CDBG] funds where three or more employees, acting on the orders of superiors of that municipality, have been convicted of using unnecessary force against nonviolent civil rights demonstrators. While the Committee strongly opposes the use of unnecessary force in any circumstance, it believes that the House-passed provision is an unnecessary and overreaching intrusion into the

police powers of local government. In addition, it unfairly penalizes those members of the community which benefit from the use of CDBG funds but had no knowledge, participation, or responsibility in any acts of unnecessary force. The Committee believes that the victims of any use of unnecessary force have far more effective remedies through the local legislative body or judicial review.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill "which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

An authorization for programs funded by the National Aeronautics and Space Administration has not as yet passed the Senate.

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include "(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee."

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93–344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1990: Subcommittee on HUD—Independent Agencies	65,881	[1] 67,038	69,774	[2] 70,525
Projections of outlays associated with budget authority recommended in the bill:				
1990	.....	.....	.....	[3] 38,780
1991	.....	.....	.....	14,010
1992	.....	.....	.....	4,097
1993	.....	.....	.....	1,994
1994 and future year	.....	.....	.....	7,686
Financial assistance to State and local governments for 1990 in the bill	.....	16,665	.....	1,478
	Direct loans		Loan guarantees	
Credit authority estimates, fiscal year 1990	860	860	57,436	63,159

[1] Includes advance appropriation.
[2] Includes outlays from prior-year budget authority.
[3] Excludes outlays from prior-year budget authority.

Note.—The subcommittee is within its allocation for both discretionary budget authority and outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or –) 1989 appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I							
DEPARTMENT OF VETERANS AFFAIRS							
Veterans Benefits Administration							
Compensation and pensions	15,412,936,000	15,367,506,000	15,367,506,000	15,367,506,000	-45,430,000	---	---
Readjustment benefits	667,457,000	501,200,000	434,100,000	501,200,000	-166,257,000	---	+67,100,000
Veterans insurance and indemnities	9,220,000	13,940,000	13,940,000	13,940,000	+4,720,000	---	---
Loan guaranty revolving fund	778,100,000	195,500,000	453,000,000	313,500,000	-464,600,000	+118,000,000	-139,500,000
Direct loan revolving fund (limitation on direct loans)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	---	---	---
Subtotal, Veterans Benefits Administration	16,867,713,000	16,078,146,000	16,268,546,000	16,196,146,000	-671,567,000	+118,000,000	-72,400,000
Veterans Health Service and Research Administration							
Medical care	10,882,671,000	10,741,431,000	11,561,431,000	11,514,546,000	+631,875,000	+773,115,000	-46,885,000
(By transfer)	(5,000,000)	---	---	---	(-5,000,000)	---	---
Medical and prosthetic research	210,241,000	197,310,000	211,000,000	221,000,000	+10,759,000	+23,690,000	+10,000,000
Medical administration and miscellaneous operating expenses	47,909,000	48,541,000	48,541,000	48,112,000	+203,000	-429,000	-429,000

Grants to the Republic of the Philippines.....	500,000	500,000	500,000	500,000	---	---	---
Subtotal, Veterans Health Service and Research Administration.....	11,141,321,000	10,987,782,000	11,821,472,000	11,784,158,000	+642,837,000	+796,376,000	-37,314,000
Departmental Administration							
General operating expenses.....	784,216,000	803,559,000	805,059,000	804,288,000	+20,072,000	+729,000	-771,000
(By transfer).....	(15,000,000)	---	---	---	(-15,000,000)	---	---
Office of the Inspector General.....	---	22,249,000	22,249,000	21,949,000	+21,949,000	-300,000	-300,000
Construction, major projects.....	363,040,000	365,849,000	420,249,000	190,266,978	-172,773,022	-175,582,022	-229,982,022
Construction, minor projects.....	111,596,000	114,699,000	113,699,000	111,596,000	---	-3,103,000	-2,103,000
(Limitation on administrative expenses).....	(41,731,000)	(45,136,000)	(44,136,000)	(44,136,000)	(+2,405,000)	(-1,000,000)	---
Parking garage revolving fund.....	26,000,000	7,075,000	29,375,000	---	-26,000,000	-7,075,000	-29,375,000
Grants for construction of State extended care facilities.....	42,000,000	42,000,000	42,000,000	42,000,000	---	---	---
Grants for construction to State veterans cemeteries..	9,000,000	4,356,000	4,356,000	4,356,000	-4,644,000	---	---
Subtotal, Departmental Administration.....	1,335,852,000	1,359,787,000	1,436,987,000	1,174,455,978	-161,396,022	-185,331,022	-262,531,022
Total, title I, Department of Veterans Affairs..	29,344,886,000	28,425,715,000	29,527,005,000	29,154,759,978	-190,126,022	+729,044,978	-372,245,022
TITLE II							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
HOUSING PROGRAMS							
Annual contributions for assisted housing.....	5,718,103,650	5,875,242,000	6,000,387,625	6,001,221,525	+283,117,875	+125,979,525	+833,900
Rescission of assisted housing deobligations (budget authority, indefinite).....	-313,500,000	-221,500,000	-221,500,000	-221,500,000	+92,000,000	---	---
Total, annual contributions for assisted housing (net).....	5,404,603,650	5,653,742,000	5,778,887,625	5,779,721,525	+375,117,875	+125,979,525	+833,900

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Contract Renewals	38,712,780	667,351,900	1,092,112,375	1,091,978,475	+1,053,265,695	+424,626,575	-133,900
Rental rehabilitation grants	150,000,000	130,000,000	130,000,000	130,000,000	-20,000,000	---	---
Rental housing assistance:							
Rescission of budget authority, indefinite	-50,000,000	-48,000,000	-48,000,000	-48,000,000	+2,000,000	---	---
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	---	---	---
Housing for the elderly or handicapped fund:							
(Limitation on direct loans)	(480,106,000)	(32,000,000)	(480,106,000)	(480,106,000)	---	(+448,106,000)	---
Authority to borrow, indefinite	428,998,000	---	425,848,000	425,848,000	-3,150,000	+425,848,000	---
Congregate services	5,400,000	---	6,000,000	5,400,000	---	+5,400,000	-600,000
Payments for operation of low-income housing projects	1,705,508,000	1,694,200,000	1,769,200,000	1,795,600,000	+90,092,000	+101,400,000	+26,400,000
Public Housing Modernization	1,648,930,000	1,000,000,000	2,002,500,000	2,000,000,000	+351,070,000	+1,000,000,000	-2,500,000
Housing counseling assistance	3,500,000	---	3,500,000	3,500,000	---	+3,500,000	---
Flexible subsidy fund	---	35,000,000	---	---	---	-35,000,000	---
Federal Housing Administration Fund	237,720,000	350,093,000	350,093,000	350,093,000	+112,373,000	---	---
(Limitation on guaranteed loans)	(96,000,000,000)	(67,000,000,000)	(67,000,000,000)	(75,000,000,000)	(-21,000,000,000)	(+8,000,000,000)	(+8,000,000,000)
Temporary mortgage assistance payments (limitation on direct loans)	(103,350,000)	(88,600,000)	(88,600,000)	(88,600,000)	(-14,750,000)	---	---
Total, Federal Housing Administration Fund	237,720,000	350,093,000	350,093,000	350,093,000	+112,373,000	---	---
Nonprofit sponsor assistance (limitation on direct loans)	(960,000)	(910,000)	(1,100,000)	(1,100,000)	(+140,000)	(+190,000)	---

Government National Mortgage Association							
Guarantees of mortgage-backed securities (limitation on guaranteed loans)	(144,000,000,000)	(75,000,000,000)	(75,000,000,000)	(83,000,000,000)	(-61,000,000,000)	(+8,000,000,000)	(+8,000,000,000)
Total, Housing Programs (net)	9,573,372,430	9,482,386,900	11,510,141,000	11,534,141,000	+1,960,768,570	+2,051,754,100	+24,000,000
HOMELESS ASSISTANCE							
Emergency shelter grants program	46,500,000	125,000,000	125,000,000	75,000,000	+28,500,000	-50,000,000	-50,000,000
Transitional and supportive housing demonstration program	80,000,000	105,000,000	105,000,000	130,000,000	+50,000,000	+25,000,000	+25,000,000
Supplemental assistance for facilities to assist the homeless	---	11,000,000	11,000,000	11,000,000	+11,000,000	---	---
Mod Rehab Single room occupancy	45,018,560	50,000,000	50,000,000	75,000,000	+29,981,440	+25,000,000	+25,000,000
Total, Homeless Assistance	171,518,560	291,000,000	291,000,000	291,000,000	+119,481,440	---	---
COMMUNITY PLANNING AND DEVELOPMENT							
Community development grants	2,650,000,000	2,744,000,000	2,950,000,000	2,950,000,000	+300,000,000	+206,000,000	---
(By transfer)	(350,000,000)	(136,000,000)	(50,000,000)	(50,000,000)	(-300,000,000)	(-86,000,000)	---
(Limitation on guaranteed loans)	(144,000,000)	---	(46,000,000)	(144,000,000)	---	(+144,000,000)	(+98,000,000)
Urban homesteading	13,200,000	12,000,000	12,000,000	13,200,000	---	+1,200,000	+1,200,000
Total, Community Planning and Development	2,663,200,000	2,756,000,000	2,962,000,000	2,963,200,000	+300,000,000	+207,200,000	+1,200,000
POLICY DEVELOPMENT AND RESEARCH							
Research and technology	17,200,000	21,400,000	21,400,000	21,000,000	+3,800,000	-400,000	-400,000
FAIR HOUSING AND EQUAL OPPORTUNITY							
Fair housing activities	10,000,000	12,753,000	12,753,000	12,753,000	+2,753,000	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
MANAGEMENT AND ADMINISTRATION							
Salaries and expenses	335,081,000	341,252,000	341,252,000	341,252,000	+6,171,000	---	---
(By transfer)	(3,490,000)	---	---	---	(-3,490,000)	---	---
(By transfer, limitation on FHA corporate funds)	(381,528,000)	(355,846,000)	(355,846,000)	(405,693,000)	(+24,165,000)	(+49,847,000)	(+49,847,000)
Office of the Inspector General	---	22,681,000	22,681,000	24,481,000	+24,481,000	+1,800,000	+1,800,000
(By transfer, limitation on FHA corporate funds)	---	(6,431,000)	(6,431,000)	(6,584,000)	(+6,584,000)	(+153,000)	(+153,000)
Total, title II, Department of Housing and Urban Development:							
New budget (obligational) authority (net)	12,770,371,990	12,927,472,900	15,161,227,000	15,187,827,000	+2,417,455,010	+2,260,354,100	+26,600,000
Appropriations	(12,704,873,990)	(13,196,972,900)	(15,004,879,000)	(15,031,479,000)	(+2,326,605,010)	(+1,834,506,100)	(+26,600,000)
Authority to borrow	(428,998,000)	---	(425,848,000)	(425,848,000)	(-3,150,000)	(+425,848,000)	---
Rescissions	(-363,500,000)	(-269,500,000)	(-269,500,000)	(-269,500,000)	(+94,000,000)	---	---
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	---	---	---
(Limitation on direct loans)	(584,416,000)	(121,510,000)	(569,806,000)	(569,806,000)	(-14,610,000)	(+448,296,000)	---
(Limitation on guaranteed loans)	(240,144,000,000)	(142,000,000,000)	(142,046,000,000)	(158,144,000,000)	(-82,000,000,000)	(+16,144,000,000)	(+16,098,000,000)
(Limitation on corporate funds to be expended)	(381,528,000)	(362,277,000)	(362,277,000)	(412,277,000)	(+30,749,000)	(+50,000,000)	(+50,000,000)

TITLE III							
INDEPENDENT AGENCIES							
AMERICAN BATTLE MONUMENTS COMMISSION							
Salaries and expenses	15,085,000	14,507,000	15,000,000	14,507,000	-578,000	---	-493,000
CONSUMER PRODUCT SAFETY COMMISSION							
Salaries and expenses	34,500,000	33,479,000	35,500,000	35,700,000	+1,200,000	+2,221,000	+200,000
COURT OF VETERANS APPEALS							
Salaries and expenses	3,100,000	1,462,000	3,000,000	3,000,000	-100,000	+1,538,000	---
DEPARTMENT OF DEFENSE - CIVIL							
Cemeterial Expenses, Army							
Salaries and expenses	13,195,000	12,569,000	12,569,000	12,569,000	-626,000	---	---
DEPARTMENT OF DEFENSE - MILITARY							
Space Shuttle activities, Air Force launch activities	---	---	---	217,000,000	+217,000,000	+217,000,000	+217,000,000
ENVIRONMENTAL PROTECTION AGENCY							
Salaries and expenses	810,000,000	868,583,000	874,583,000	867,483,000	+57,483,000	-1,100,000	-7,100,000
Office of the Inspector General	---	31,734,000	31,734,000	31,000,000	+31,000,000	-734,000	-734,000
Research and development	202,500,000	235,000,000	241,500,000	234,950,000	+32,450,000	-50,000	-6,550,000
Abatement, control, and compliance	724,625,000	700,000,000	785,000,000	829,940,000	+105,315,000	+129,940,000	+44,940,000
Buildings and facilities	8,000,000	8,000,000	12,000,000	11,700,000	+3,700,000	+3,700,000	-300,000
Subtotal, operating programs	1,745,125,000	1,843,317,000	1,944,817,000	1,975,073,000	+229,948,000	+131,756,000	+30,256,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Hazardous substance superfund	1,425,000,000	1,739,683,000	1,425,000,000	1,575,000,000	+150,000,000	-164,683,000	+150,000,000
Rescission	-15,000,000	---	---	---	+15,000,000	---	---
(Limitation on administrative expenses)	(190,000,000)	(200,000,000)	(220,000,000)	(220,000,000)	(+30,000,000)	(+20,000,000)	---
Leaking underground storage tank trust fund	50,000,000	100,000,000	76,000,000	76,000,000	+26,000,000	-24,000,000	---
(Limitation on administrative expenses)	(5,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(+1,000,000)	---	---
Construction grants	1,950,000,000	1,200,000,000	2,024,000,000	2,050,000,000	+100,000,000	+850,000,000	+26,000,000
Rescission	---	---	-47,700,000	-47,700,000	-47,700,000	-47,700,000	---
Total, Environmental Protection Agency	5,155,125,000	4,883,000,000	5,422,117,000	5,628,373,000	+473,248,000	+745,373,000	+206,256,000
EXECUTIVE OFFICE OF THE PRESIDENT							
Council on Environmental Quality and Office of Environmental Quality	850,000	861,000	861,000	1,500,000	+650,000	+639,000	+639,000
National Space Council	---	563,000	1,200,000	900,000	+900,000	+337,000	-300,000
Office of Science and Technology Policy	1,587,000	2,997,000	2,027,000	2,997,000	+1,410,000	---	+970,000
Total, Executive Office of the President	2,437,000	4,421,000	4,088,000	5,397,000	+2,960,000	+976,000	+1,309,000
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Disaster relief	100,000,000	270,000,000	100,000,000	100,000,000	---	-170,000,000	---

Salaries and expenses	137,274,000	141,329,000	141,329,000	141,489,000	+4,215,000	+160,000	+160,000
Emergency management planning and assistance	282,438,000	268,505,000	271,160,000	277,000,000	-5,438,000	+8,495,000	+5,840,000
Office of the Inspector General	---	2,439,000	2,439,000	2,709,000	+2,709,000	+270,000	+270,000
Emergency food and shelter program	114,000,000	134,000,000	134,000,000	134,000,000	+20,000,000	---	---
(By transfer)	(12,000,000)	---	---	---	(-12,000,000)	---	---
Total, Federal Emergency Management Agency	633,712,000	816,273,000	648,928,000	655,198,000	+21,486,000	-161,075,000	+6,270,000
GENERAL SERVICES ADMINISTRATION							
Consumer Information Center	1,354,000	1,360,000	1,360,000	1,360,000	+6,000	---	---
(Limitation on administrative expenses)	(1,736,000)	(2,092,000)	(2,092,000)	(2,092,000)	(+356,000)	---	---
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Office of Consumer Affairs	1,708,000	1,988,000	1,888,000	1,888,000	+180,000	-100,000	---
INTERAGENCY COUNCIL ON THE HOMELESS							
Salaries and expenses	1,100,000	1,200,000	1,200,000	1,100,000	---	-100,000	-100,000
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
Research and development	4,191,700,000	5,751,600,000	5,203,100,000	5,367,600,000	+1,175,900,000	-384,000,000	+164,500,000
Rescission	-25,000,000	---	---	---	+25,000,000	---	---
Space flight, control and data communications	4,364,200,000	5,139,600,000	4,709,600,000	4,639,600,000	+275,400,000	-500,000,000	-70,000,000
Construction of facilities	290,100,000	341,800,000	384,300,000	341,000,000	+50,900,000	-800,000	-43,300,000
Science, space and technology education trust fund (by transfer)	(15,000,000)	---	---	---	(-15,000,000)	---	---
Research and program management	1,855,000,000	2,032,200,000	1,957,200,000	1,982,200,000	+127,200,000	-50,000,000	+25,000,000
(By transfer)	(35,000,000)	---	---	---	(-35,000,000)	---	---
Office of the Inspector General	---	8,795,000	8,795,000	8,795,000	+8,795,000	---	---
Total, National Aeronautics and Space Administration (net)	10,676,000,000	13,273,995,000	12,262,995,000	12,339,195,000	+1,663,195,000	-934,800,000	+76,200,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
NATIONAL CREDIT UNION ADMINISTRATION							
Central liquidity facility:							
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	---	---	---
(Limitation on administrative expenses, corporate funds)	(880,000)	(864,000)	(864,000)	(864,000)	(-16,000)	---	---
NATIONAL INSTITUTE OF BUILDING SCIENCES							
National Institute of Buildins Sciences	---	---	500,000	---	---	---	-500,000
NATIONAL SCIENCE FOUNDATION							
Research and related activities	1,620,500,000	1,803,022,000	1,715,000,000	1,685,000,000	+64,500,000	-118,022,000	-30,000,000
Prosras developaent and aanasesent (limitation on administrative expenses)	(89,800,000)	(104,000,000)	(97,000,000)	(101,400,000)	(+11,600,000)	(-2,600,000)	(+4,400,000)
Academic research facilities aodernization	---	---	---	20,000,000	+20,000,000	+20,000,000	+20,000,000
United States Antarctic Prosras activities (non-050)	131,000,000	156,000,000	74,000,000	73,000,000	-58,000,000	-83,000,000	-1,000,000
United States Antarctica lodistical support activities (050)	---	---	---	83,000,000	+83,000,000	+83,000,000	+83,000,000
Science education activities	171,000,000	190,000,000	210,000,000	200,000,000	+29,000,000	+10,000,000	-10,000,000

Office of the Inspector General	---	---	---	2,600,000	+2,600,000	+2,600,000	+2,600,000
Total, National Science Foundation	1,922,500,000	2,149,022,000	1,999,000,000	2,063,600,000	+141,100,000	-85,422,000	+64,600,000
NEIGHBORHOOD REINVESTMENT CORPORATION							
Payment to the Neighborhood Reinvestment Corporation	19,494,000	14,581,000	21,260,000	27,260,000	+7,766,000	+12,679,000	+6,000,000
(By transfer)	---	(6,679,000)	---	---	---	(-6,679,000)	---
SELECTIVE SERVICE SYSTEM							
Salaries and expenses	26,313,000	26,313,000	26,313,000	26,313,000	---	---	---
Total, title III, Independent Agencies:							
New budget (obligational) authority (net)	18,505,623,000	21,234,170,000	20,455,718,000	21,032,460,000	+2,526,837,000	-201,710,000	+576,742,000
Appropriations	(18,545,623,000)	(21,234,170,000)	(20,503,418,000)	(21,080,160,000)	(+2,534,537,000)	(-154,010,000)	(+576,742,000)
Rescission	(-40,000,000)	---	(-47,700,000)	(-47,700,000)	(-7,700,000)	(-47,700,000)	---
(By transfer)	(62,000,000)	(6,679,000)	---	---	(-62,000,000)	(-6,679,000)	---
(Limitation on administrative expenses)	(286,536,000)	(312,092,000)	(325,092,000)	(329,492,000)	(+42,956,000)	(+17,400,000)	(+4,400,000)
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	---	---	---
(Limitation on corporate funds to be expended)	(880,000)	(864,000)	(864,000)	(864,000)	(-16,000)	---	---
TITLE IV							
CORPORATIONS							
Federal Home Loan Bank Board:							
(Limitation on administrative expenses, corporate funds)	(31,942,000)	(33,464,000)	---	---	(-31,942,000)	(-33,464,000)	---
Federal Savings and Loan Insurance Corporation, (limitation on administrative expenses, corporate funds)	(1,667,000)	(1,748,000)	---	---	(-1,667,000)	(-1,748,000)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1989 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1990—Continued

[Amounts in dollars]

Item (1)	1989 appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −)		
					1989 appropriation (6)	Budget estimate (7)	House allowance (8)
Federal Deposit Insurance Corporation:							
FSLIC Resolution Fund 1/	---	---	---	1,800,000,000	+1,800,000,000	+1,800,000,000	+1,800,000,000
Total, title IV, Corporations	(33,609,000)	(35,212,000)	---	---	(-33,609,000)	(-35,212,000)	---
Grand total:							
New budget (obligational) authority (net)	60,620,880,990	62,587,357,900	65,143,950,000	67,175,046,978	+6,554,165,988	+4,587,689,078	+2,031,096,978
Appropriations	(60,595,382,990)	(62,856,857,900)	(65,035,302,000)	(67,066,398,978)	(+6,471,015,988)	(+4,209,541,078)	(+2,031,096,978)
Authority to borrow	(428,998,000)	---	(425,848,000)	(425,848,000)	(-3,150,000)	(+425,848,000)	---
Rescissions	(-403,500,000)	(-269,500,000)	(-317,200,000)	(-317,200,000)	(+86,300,000)	(-47,700,000)	---
(By transfer)	(435,490,000)	(142,679,000)	(50,000,000)	(50,000,000)	(-385,490,000)	(-92,679,000)	---
(Limitation on administrative expenses)	(328,267,000)	(357,228,000)	(369,228,000)	(373,628,000)	(+45,361,000)	(+16,400,000)	(+4,400,000)
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	---	---	---
(Limitation on direct loans)	(1,185,416,000)	(722,510,000)	(1,170,806,000)	(1,170,806,000)	(-14,610,000)	(+448,296,000)	---
(Limitation on guaranteed loans)	(240,144,000,000)	(142,000,000,000)	(142,046,000,000)	(158,144,000,000)	(-82,000,000,000)	(+16,144,000,000)	(+16,098,000,000)
(Limitation on corporate funds to be expended)	(416,017,000)	(398,353,000)	(363,141,000)	(413,141,000)	(-2,876,000)	(+14,788,000)	(+50,000,000)

1/ Current indefinite authority, current estimate only